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THE GOVERNMENT OF THE ISLAND
OF CEYLON
AND
THE CASE FOR THE REFORM OF ITS
CONSTITUTION
AS LAID BEFORE MEMBERS OF PARLIAMENT

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SOME OPINIONS ON "THE INDIAN EVOLUTION"
PREVIOUSLY PUBLISHED BY THE SAME AUTHOR

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THE PADIKARA MUDALIYAR OF CEYLON

THE GOVERNMENT OF THE
ISLAND OF CEYLON
AND
THE CASE FOR THE REFORM
OF ITS CONSTITUTION

BY

The Padikara Mudaliyar

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President, Association Ceylon Chiefs (1921-1928)

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Fellow of the Royal Society of Arts, Great Britain
etc.

WITH A REFUTATION BY

The Hon. Sir Don Baron Jayatilaka, Kt.

(Leader of the Ceylon State Council)

OF THE CHARGES BROUGHT AGAINST CEYLON IN
THE BRITISH PRESS AND PARLIAMENT

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APPEAL IN THE HOUSE OF COMMONS
TO THE SECRETARY OF STATE
FOR THE COLONIES ON BEHALF OF CEYLON.

BY

LIEUT.-COMMANDER FLETCHER, M.P.

“I would invite the Right Hon. Gentleman’s attention to the Island of Ceylon and ask him to find time to give some consideration to it. I have a certain amount of first-hand information from people there who are well-wishers and supporters of the Right Hon. Gentleman’s Government.

“There is an amount of poverty among the native population of the Island which is extremely distressing to the English Colony.

“It must be a matter of great regret to us that in an Island where so great an amount of wealth has been made by the English business community there is such a dreadful amount of depression, poverty and suffering among the native population. In that regard I would like to call particular attention to a recent malaria epidemic in the Island in which the death roll was really appalling. The natives died like flies and there were indescribable scenes of horror and misery during the epidemic.”

[Reproduced from the Hansard report of the debate on the Colonial Office, 1937.]

CONTENTS

	PAGE
INTRODUCTION - - - - -	ix
CHAPTER	
I. CEYLON AND ITS PEOPLE: A BRIEF HISTORICAL SKETCH -	i
II. THE GOVERNMENT OF CEYLON BY THE BRITISH FROM 1815 TO 1930. THE DONOUGHMORE CONSTITUTION, 1931: ITS EFFECTS AND DEFECTS - - - - -	6
III. INDUSTRIAL DEVELOPMENT - - - - -	44
IV. FURTHER CONSIDERATIONS - - - - -	54
V. MISREPRESENTATION AND SUPPOSED ANTI-BRITISH FEELING IN CEYLON - - - - -	61
VI. REFUTATION BY THE HON. SIR DON BARON JAYATILAKA, KT., LEADER OF THE CEYLON STATE COUNCIL, OF THE CHARGES BROUGHT AGAINST CEYLON IN THE BRITISH PRESS AND PARLIAMENT - - - - -	70

APPENDICES

I. SPEECH ON BEHALF OF CEYLON IN PARLIAMENT, BY THE LATE SIR JOHN REES, M.P. - - - - -	87
II. THE CEYLON UNIVERSITY: AN IDEAL, BY THE AUTHOR -	93
III. A MESSAGE TO THE YOUTH OF CEYLON, BY THE AUTHOR	108
IV. SUMMARY OF THE CONCLUSIONS AND RECOMMENDATIONS OF CEYLON BANKING COMMISSION, PRESIDED OVER BY SIR S. N. POCHKHANAWALA, KT. - - - - -	116

INTRODUCTION

THE treatise which follows is by way of an answer to those friends, European as well as Ceylonese, who have asked me on divers occasions to set forth my views regarding the administration of Ceylon by the Colonial Office in London. The kind reception accorded to my last published work, *The Indian Evolution*, by British Members of Parliament and others encouraged me to undertake the present monograph, which I here place before the public.

It goes without saying that an issue relating to Ceylon alone is, by reason of this very restriction, integral to the greater Indian question whose political ramifications are without end. Merely on this account, however, it would be wrong to assume that the minor question is of slight importance, or that it lacks vital interest to the five and a half millions of Ceylon's population.

Since the island is officially designated "The Premier Crown Colony of the British Empire" its administration must be regarded as the criterion of the British administrative system throughout the Empire. As a canon of colonial rule it is of intrinsic interest to the outside world, more especially at a time when more than one great nation is clamouring for colonies as outlets for their superfluous population.

More than a quarter of a century has passed since the question of the reform of the Ceylon Constitution first attracted the public eye. Forced into action by popular demand, the Colonial Office has attempted to tinker up the system from time to time by making a concession here or granting a privilege there, but the sum total of alleged reforms has left many glaring abuses and grievances still crying aloud for redress.

In precisely what manner and measure colonial expan-

sion reacts upon the original occupants of the country under occupation is problematic, and its full and final effects have still to be scientifically determined.

Suggestions have been advanced from certain political quarters in England to place colonies under the jurisdiction of the League of Nations in order to safeguard them from unscrupulous exploitation.

Ceylon, which occupies a prime strategic position in the East, and has in consequence become a vital link of Empire, passed to the British Crown in the year 1815. After almost a century and a quarter of British rule, it would be well to call a halt to the tinkering process and overhaul its results to see if some better means of government cannot be substituted for the present unsuitable method. It will be readily acknowledged by all just men that first and foremost the policy of any Government should be to consider the interests of its colonial people, and not to follow a policy which makes their interests subservient to those of others. While a Government may be foreign in its personnel, to achieve a full measure of success it must be national in principle and perception, satisfying the just demands of those it essays to govern. Only by consent of the people themselves through their elective body should laws be inscribed in the national statute book. Edicts of whatever nature outside these can only tend to inflame the electors and make the task of government more difficult.

While I yield to none in my admiration for some of the things accomplished in Ceylon under British rule, yet the fact remains that with more sympathy towards the people its work would have been crowned with greater success.

Imperial desires should not override Imperial obligations. Might and wealth alone are a sorry glory to any great Power if the interests of the inhabitants of an acquired country are subjugated to dividends and investments. People are no longer to be put off with idle promises of reform. Too long they have lived on hope unfulfilled. Today the world looks for action and realities, and only the accomplished deed is of avail.

It is therefore much to be deplored that bad business instincts and vain Imperial pledges have often usurped the place of good government and imperilled the fair name of England. Daily the world becomes more awake to the call of justice in respect of the small nations. Writers and sociologists have lifted up a united voice in affirming their moral right to self-determination. Wisdom in every land acknowledges their claim as sacred. The British Government also affirms it. Unfortunately, turning theory into practice is another question altogether, everything depending upon those whose ostensible duty it is to carry out these stage directions. Plentiful instances exist of officials purporting to follow conscientiously their instructions, but ingeniously giving them a twist which succeeded in defeating the purpose for which they were intended.

The late Sir Ponambalam Arunachalem, father of political reform in Ceylon, class-mate and friend of Lord Crewe, and a distinguished member of the councils and Civil Service of Ceylon, has left on record his impression of the effect of Colonial Office rule in the island. This is embodied in a series of letters to his friend Edward Boyd Carpenter, published by the recipient himself. These letters state in unequivocal terms the writer's verdict on the commercialising of Ceylon. Strongly condemning the effect of Western commercial methods upon an Eastern people, he concludes: "Physically the people are starving; spiritually they are dead." Coming from the pen of one so close to the heart of things for so long a period, comment from the present writer would be superfluous.

Side by side with this opinion comes the testimony of Dr. Paul E. Pieris, C.M.G., Ceylon's first trade commissioner in London. Writing to the *London Times* during the malaria epidemic which ravaged the island during 1934-35, he observed that "Fortunes have been made out of tea and rubber, yet the villagers are left on the border line of starvation." The latest testimony comes from Mr. Newnham, C.M.G., an Englishman, a distinguished member of the Ceylon Civil Service who had been Mayor of Colombo, the capital, and who has done

excellent work as commissioner of relief of distress. He states the people were "living on the verge of starvation." These are terrible indictments indeed, and no false consideration of captiousness or courtesy should be spared to impeach the system responsible for such a dire condition. These distinguished servants of the Crown do not conceal the fact that the apparent prosperity of Ceylon is confined to a very small percentage of the total population, though no doubt their allegations are mainly based upon the visible condition of the average Ceylon villager.

Let statistics speak for themselves! During the first months of the malaria epidemic aforesaid, over 80,000 persons died, principally in the rural areas where those affected lacked, through insufficiency of food and vitamins, the elemental resistance necessary to fight the disease. In contrast to this, during the same period, statistics disclose that only two Europeans succumbed.

What is gleaned from the enormous disparity between these figures? It is only to be logically accounted for by the difference in the standard of life of European and Ceylonese. It is often argued that an inhabitant of the tropics can exist on a handful of rice a day. It is true that he may not die, but it is a question if his existence can justly be called living. It is certainly proven without a shadow of doubt that he cannot survive an ordeal which calls for any great physical stand. Whatever may be the causes that have led to this state of affairs, let us admit at once that reorganisation is imperative, and that the present system of government should be remodelled forthwith if the Premier Crown Colony is to be what it should always have been—the pride and model of British colonial government.

This constitutes a challenge to the honour and good will of the British people. It is their own particular concern, not to be shirked owing to any preconceived considerations. At the same time, the accusation of responsibility for conditions in the villages must not be laid entirely at the door of the British officials directly concerned. Theirs is no easy task, and the reproach falls

largely upon those who shape Britain's colonial policy and direct them. To carry out their work conscientiously and remain loyal to their chiefs is an exercise which would tax the cleverest. Not infrequently they have to resort to lame excuses in defence of a policy in which they have little or no faith.

It rests then with all wellwishers of Ceylon and Britain to explore the intricate avenues of Ceylon's government, with a firm determination to discover its defects and remedy them without loss of time.

In order that a clear and comprehensive understanding of the situation may be gained, it is necessary to review in brief Ceylon's past, indicating such happenings as have become landmarks in its political history.

The first chapter of this book, therefore, gives an outline of events from the country's beginning. That following centres more or less closely upon the evolution of representative government under Colonial Office rule, winding up with the "*pièce de résistance*" of that paternal institution—the establishment of the Donoughmore Constitution. The chapter also essays to examine the workings of this the most recent Colonial Office indulgence, analysing action and reaction in their relation to one another.

Previous administrations are glanced at in subsequent chapters, particular attention being paid to the defects resulting from a century of bureaucratic rule. The Waste-Lands Ordinance, which is considered to be largely responsible for the depressed condition of Ceylon villagers, Empire Free Trade, Education and Finance are each considered in their place.

The final chapter devotes itself to British misrepresentations regarding Ceylon and the able handling of the same by the Leader of the Ceylon State Council, Sir D. B. Jayatilaka, to whom I am indebted for placing the proceedings in Council concerning this matter at my disposal.

The appendix amplifies certain passages in the book, giving several allusions at length. In conclusion, I would stress the point that in every case where an abuse has been checked or an imposition repealed, good has accrued to the island generally.

Despite its limited opportunities and restricted powers, the present State Council has succeeded in effecting reforms in more than one direction. Its scope would be infinitely widened, however, by the greater measure of liberty allowed by full responsible government. Maximum good cannot very well be expected from minimum freedom. Especially is this important as regards the internal affairs of the island, for "government in shackles" finds itself hampered at every turn. Domestic policy dictated from an outside source can never be successful.

It is the writer's fervent hope that this book may do something to help forward the good work of reform; and real reform can come only by extending to Ceylon full responsible government as a matter of right.

This reform must be subject to essential safeguards as regards Minorities and Imperial interests, both of which must be clearly defined.

I appeal to the Members of the British Parliament, whom I have never addressed in vain where Ceylon was the issue.

Some eighteen years ago, during a crisis in the island's political history, I made an appeal on behalf of my countrymen, when Sir John Rees, M.P., who had previously been antagonistic, came forward to champion their cause. I here set on record my deep feeling of gratitude to this statesman, now dead, who on learning the truth had the courage and nobility to acknowledge his error and express his convictions in the British Parliament.

His great-heartedness could not be better illustrated than by his speech, quoted at length in the Appendix. His was without question the finest oration on Ceylon ever delivered in the House of Commons.

May it inspire the present Members with a similar desire to his own—namely, to accord to Britain's premier Crown Colony the fullest measure of justice possible, and thereby earn for England the gratitude and esteem of King George VI's loyal subjects, the Ceylonese.

N. D. A. SILVA WIJAYASINGHE,
The Padikara Mudaliyar of Ceylon.

LONDON, *June*, 1938.

ADDITIONAL NOTE APPENDED SINCE THE RECENT TROUBLES IN THE WEST INDIES.

WHAT I have stated in the foregoing pages refers specifically to the Island of Ceylon, though it has also an important bearing on the wider question of Britain's Colonial Empire as a whole.

Here is a country, Ceylon, which maintained national independence for over 2,500 years—a land that governed itself—self-government existing even in the villages. Throughout that long period of history this small country commanded the respect of the outside world, her sons being received at the Courts of the Cæsars in Rome with every mark of dignity. Now, after 125 years of British Colonial Office rule, this same people are considered not yet fit to be given full responsible government. Such, at all events, is the verdict of the Colonial Office itself.

It can hardly be counted a tribute to the Colonial Office for a people found fitted for representative government by Sir Alexander Johnston, Chief Justice and President of His Majesty's Council in Ceylon (1802 to 1817), to have been rendered unfitted for self-government by some century and a quarter of Whitehall rule.

If this result be the achievement of a progressive and highly civilized country like England, it is a poor look-out for less progressive countries under such an administration.

It is becoming more and more apparent that all is not well with the British Colonies. The recent outbreaks of violence in Trinidad, Jamaica, and troubles in British Guiana testify in the clearest possible manner to the prevailing unrest and discontent, proving that something vital is wrong with the machinery of government.

Equally bad conditions have existed in other colonies for a long period of years, but it is a far cry from the colonies to the Mother of Parliaments and such sound as reaches is too faint to be heard.

Only when conditions become so acute as to be intolerable and violence breaks out is it perceived that something is amiss. The Colonial Office then bestirs itself to tardy action.

Scant notice was taken of Ceylon in England till the riots of 1915. The manner in which they were handled, too, brought disgrace to the name of Britain, a fact testified to by no less a person than the late Sir John Anderson. It would seem that nothing short of breaking the peace in the colonies can bring the woes of the people into the limelight. Mr. Lloyd George, speaking on the Jamaica troubles in Parliament on June 14, 1938, said, "It is no credit to the greatest empire in the world to allow such discontent to prevail in any part which is under the protection of the British flag." He referred in caustic terms to incredibly low wages and indescribable housing conditions. "We don't want a slummy Empire," he said. "If you say we cannot afford that people should live there under fit conditions, let us honestly file our petition in bankruptcy. But we can afford to do the right thing. Do not let us dishonour the flag by perpetuating these conditions." It is difficult to understand how 58,000,000 people in the Crown Colonies, widely spread over $1\frac{1}{2}$ million square miles of the earth's surface, can be governed in a manner satisfactory to the parties concerned from an office in London, run on rather dangerously antiquated lines. To rectify matters, or at any rate to improve them very considerably, the French method might be adopted of sending a local representative to sit in the Mother Parliament. This would provide a safety-valve for each Colony provisionally until a better method has been devised. However able and well qualified for his job the Colonial Secretary may be, nothing will change materially until the governing machine itself is examined, taken to pieces and pronounced obsolete. Methods of government which were introduced as a sort

of stop-gap a century or more ago should never have been adopted as permanent measures, and any attempt to perpetuate them must be condemned out of hand. No War Minister would advocate a return, say, to the use of the flintlock musket as a suitable weapon for modern conditions. If a really serious attempt is to be made at bettering the lot of the more unfortunate inhabitants of British Colonies, a beginning must be made with the Colonial Office itself.

Reorganization, sweeping and complete, should aim at evolving a new machine capable of doing the required work. The fact that the Colonies pay very heavily to be badly governed by means of the present antiquated machine I do not propose to examine here, leaving the question for reference elsewhere. In the Jamaica debate, the Colonial Minister did not attempt to defend the out-of-date system, but on the contrary admitted that something effective must be done. Mr. MacDonald, who created a deep impression by his sympathy and vision, said, "The unrest arises from feelings which we must respect and which will remain as a source of further troubles unless we can do something effective to meet the legitimate grievances of our fellow-subjects in the West Indies."

Hitherto, too much heed has been paid to the unwritten law of upholding the man on the spot, whether he be right or wrong. How a Gilbertian situation may emerge from over-application of this practice is well illustrated in the "Mr. Horne case"—recounted in a foregoing page. In affirming that the salary of this obscure individual was a matter of "paramount importance," the Governor of Ceylon had the backing and approval of the Colonial Office. What is right in Ceylon in this connection cannot very well be wrong in Jamaica. Nevertheless, we find Sir Edward Stubbs, as Governor there, declaring that an individual salary cannot be regarded as a matter of paramount importance.

In my journeyings I am frequently catechized about Ceylon, and on many occasions have been dumbfounded by the ignorance displayed by Englishmen in authority

concerning that island. I do not expect every Englishman to possess my own knowledge, but I do expect that legislators should have at least a school-boyish idea of Britain's Premier Crown Colony. Tea does indeed grow in Ceylon, and so do human beings, possessing not only souls, but material bodies which require feeding and which are prone to sickness. To realize that and to remember it when tea and coconuts are spoken of, is to know the most important thing about the Island of Ceylon. It would be well if the fact were recalled more often and to better purpose.

The plea of *The Times* in a recent leading article for better informed public opinion on Colonial affairs in England was well-founded, and was as useful a piece of work as that ponderous journal has accomplished for many a day. The thought crosses one's mind—if another Power “possessed” the British Colonies, would they be taken for granted in the same way as Englishmen accept their Colonial inheritance? Rather would there be a great publicity department to instruct the ignorant and encourage the colonial.

No great business concern could be run successfully by the unsatisfactory methods used in running the British Colonies. I do not propose to outline or even suggest how the British or any other Empire should be run, but will confine myself to repeating that until a grand change is made in the administration of Britain's Colonies, they will not constitute that model empire which we would all like to see as an established fact, a state of affairs which the majority of Englishmen in their ignorance of Colonial matters always thought they had.

CHAPTER I CEYLON AND ITS PEOPLE

A BRIEF HISTORICAL SKETCH

CEYLON, the premier Crown Colony of the British Empire and the "Brightest Gem of the British Crown," as it is familiarly called, has one of the proudest histories of the world behind it and a civilisation which is considered to be one of the most ancient in the world.

The Sinhalese monarchy may be classed among the oldest dynasties in the world and also one of the longest lines of Kings that ruled over any country.

The great scholar, Edward Upham, M.R.A.S., etc., who translated into English some of the sacred and historical books of Ceylon, the dedication of which His Majesty the King of England was pleased to accept in 1833, pays the Sinhalese Kings a just tribute in the dedication itself, where he refers to them as "those celebrated monarchs whose wisdom and virtue have at various periods so powerfully contributed to the prosperity of Ceylon."

The first King of Ceylon, according to authentically recorded history, was Wijjiyo, who commenced to reign in 543 B.C. Centuries later, when Roman civilisation reached its zenith, history records the fact that Sinhalese Kings even sent embassies to the Court of Rome, and the first such embassy was the one sent by King Sandamuhane of Ceylon in the year 50 A.D. to the Court of Emperor Claudius Cæsar at Rome, which consisted of four persons, the chief of whom the historian Pliny describes as *Rachia*—viz., "*Legatos quattuor misit principe eorum Rachia.*"

The Sinhalese are a people who have been under the influence of civilisation from the earliest times. The

earliest known references to civilisation in Ceylon are found in the Ramayana, Mahabharata and in the Skande Purana; these refer to civilisation in Ceylon even before the Vijayan period, and the details in the account of Vijayo's reception and settlement in the island again afford further indications of early civilisation, for we find reference is made to cities, spinning and sumptuous beds, etc. In the fourth century we have the writings of the Chinese monk Fa Hian and the writings of St. Ambrose, based on the account given to the saint by a Thebian named Scholasticus, who remained a prisoner in the island for six years. In the eighth century we find reference made to civilisation in Ceylon by an Arabian author, whose work was translated by the Abbé Renundot in 1718. In the twelfth century we have the writings of the famous traveller Marco Polo, and in the thirteenth century the writings of Friar Odericus. In the fourteenth century we find Ludevico Barthema, a citizen of Bologna, referring to civilisation in Ceylon.

From the fifteenth century writers are numerous. Sir Emerson Tenant, that great author, speaking generally of writers on Ceylon, says in his interesting work: "There is no land in the world, Great Britain itself not excepted, that has attracted the attention of authors in so many different countries as Ceylon; there is no nation in ancient or modern times possessed of a language and a literature the writers of which have not at some time made it their theme. Its aspect, its religion, its antiquities and productions have been described by the Classic Greeks as by those of the lower Empire, by the Romans, by the writers of China, Burma, India, and Kashmir; by the geographers of Arabia and Persia, by the mediæval voyagers of Italy and France, by the annalists of Portugal and Spain, by the merchant adventurers of Holland, and by the travellers and topographers of Great Britain."

As I said before, the writers on Ceylon after the fifteenth century are numerous. The following are a few of them: Baldeus, Spilberghen, Jerome, De Santo Stephano, Robert Knox, Perceval, Davy, Cordiner, Tenant, Benett, Cave,

etc. The last named author, Cave, M.A., F.R.G.S., in his interesting book, speaking of the ruined cities of Ceylon, Anuradhapura and Polonnaruwa, which are an insight into its past greatness, says: "The Sinhalese by a system of irrigation which is the admiration of the greatest engineers of our own times had brought the whole country into a state of culture; moreover, they had built beautiful cities, the remains of which at this day hold a pre-eminent position amongst the wonders of the world.

"The story is supremely interesting, and will fascinate the tourist who explores the relics of Ceylon's bygone greatness. Here he may read the details of the rise and fall of a great nation, and may, by a personal examination of the remains as they appear today, verify the wonderful story."

Just one more quotation on the same subject, from Edward Upham, the great scholar previously referred to, may not be out of place. He says: "These extraordinary excavations recalled the most remarkable labours of antiquity, and were hardly surpassed by the celebrated kindred wonders of Egypt. The remains of these national monuments demonstrate *an amount of population and a state of prosperity infinitely superior to what exists at present*, and therefore should recommend some consideration of the mode of Government and civil administration, which so essentially contributed to the aggrandisement and prosperity of this beautiful Island."

In the writings of all authors mentioned from the pre-Vijayan period to the present day we have the testimony of writers separated by age, separated by country, separated by religion, separated by traditions, associations, and institutions, separated, in short, by everything that constitutes the difference between man and man uniting to speak of its past greatness and grandeur.

For more than a thousand years—i.e., up to 729 A.D.—the Sinhalese Kings ruled at Anuradhapura, and then for some 500 years they made Palonnaruwa the seat of Government. With the downfall of this capital consequent upon the Malabar invasion the prestige of the Sinhalese

monarchy dwindled. From A.D. 1235 the Sinhalese Kings ruled at various places in Ceylon, such as Dambadeniya, Kurunegalle, Gampola, Jayawardenapura, or Kotte and Sitawake.

In 1505 A.D. the Portuguese arrived in Ceylon and, with the consent of the Sinhalese Kings, formed trade-settlements along the seacoast and remained in possession of them until 1658 A.D., when they were dispossessed by the Dutch. It would be of some interest to mention here that recently has come to light a document from the Museum of Rio de Janeiro of great historical importance, which throws considerable light upon the Portuguese period in Ceylon, written in 1671 A.D. by a great Jesuit scholar who actually lived in India and Ceylon in those days. This manuscript of Father De Queyroz, the author, has been recently translated into English from the original Portuguese by another great Jesuit scholar, a Sinhalese, Rev. Father S. J. Perera.

Speaking of Ceylon, its Kings and its people, Father De Queyroz says: "The island of which the King of Cota styled himself as Emperor is little inferior in size to the Kingdom of Portugal, its riches have been explained; the antiquity of its Kings under the same title, dominion and blood is unequalled in Europe. *The people are noble, cultured, and by no means barbarous*; well featured and olive complexioned, which is the common colour of India. . . ."

The Portuguese, as I said before, remained in charge of their Maritime Districts until the year 1658 A.D. These Maritime Districts, which were held by the Dutch after the Portuguese, were ceded to the British in 1796 A.D.; but the Sinhalese Kings ruled the interior of Ceylon all the time, with their capital at Kandy from 1592 A.D. to 1815 A.D., when, owing to the despotic rule of the last King—Sri Wickrama Raja Singha, a Malabar by birth, who was elected as King because the previous monarch died without issue—the Chiefs and the people invited the British Government to Kandy, deposed the King and ceded the whole country to the British Sovereign, King George III, under the great Charter called the Kandyan Convention

of 1815 A.D., signed by the Chiefs on behalf of the people and by the Governor, Sir Robert Brownrigg, on behalf of King George III of England.

Thus closed the last page of Sinhalese history under the rule of the Sinhalese Kings, a history of brave deeds and noble achievements which lasted for 2,357 years. For almost three centuries various European Powers fought hard to get possession of the interior of Ceylon, but were repulsed with heavy losses each time. The then British Governor, Sir Robert Brownrigg, speaking of this annexation to the British Crown, states: "*The enterprise could not with any commonplace prudence have been entered upon except with the most credible assurances of the concurring wishes of the Chiefs and people, nor could ever have been brought to a successful issue without their acquiescence and aid.*"

The history of the Sinhalese nation is not the history of a semi-barbarous people, but the history of a people who have been pre-eminent in architecture and civilisation for a period of nearly twenty-four centuries. Witness the gigantic works of irrigation; the magnificent palaces and temples, now in ruins, having been assailed over a period of more than 2,000 years not only by the destructive forces of nature, but by human destroyers like the Malabars and the Portuguese. These remains excite the admiration of the best-known engineers of modern times, so impressive are they even in their present state of decay.

The whole island covers an area of 25,332 square miles. The population is about 5,500,000, made up of Sinhalese, both Low-country and Kandyan, who alone number about 3,500,000; then come the Tamils and the Mahomedans. There are also about 26,000 Dutch burghers and Eurasians, while there are about 8,000 Europeans.

CHAPTER II
THE GOVERNMENT OF CEYLON BY THE
BRITISH FROM 1815 TO 1930

THE DONOUGHMORE CONSTITUTION, 1931: ITS
EFFECTS AND DEFECTS

IT is universally acknowledged by capable authorities that a country can best be governed by its own people. This truism has now passed into history under President Wilson's famous dictum: "Self-determination." It has also been acclaimed the ideal form of government by Britain. With primitive peoples its application *in toto* is perhaps not difficult, but in the case of Ceylon, whose civilisation is older than Britain's own, it becomes a matter fraught with some difficulty. Obviously, to impose Western civilisation upon an Eastern people without due regard to their traditions, history or special requirements is to court trouble.

As regards Ceylon, Sir Alexander Johnstone, the first Chief Justice of the island, had stated over a century ago: Of all Britain's possessions in the East, he found Ceylon the fittest place to plant self-government, even after the depredations of the foreigners.

Had this recommendation been consummated Ceylon would long ago have been a self-governing dominion with a real place in the sun. As it actually transpired, owing to a change of Government in England at that time, Ceylon had to content itself with a tortuous political process till 1910, roughly after a century of British occupation, when one elected member was admitted to the Legislative Council. Till this year officials had governed the country according to their will and pleasure, intro-

ducing into the Council only such Ceylonese members as could be depended upon to secure a majority for the schemes they favoured.

In proscribing initiative, this method of government had the effect of unfitting the inhabitants for self rule in any sense. For a people with traditions extending over a period of 2,500 years such procedure was disastrous, as will be seen in the following pages when Education and the Waste Lands Ordinance are discussed.

“The backbone of a country is a prosperous peasantry,” wrote Jean Jacques Rousseau in his *Confessions*, and nowhere is this truer than in Ceylon where the bulk of the inhabitants are village dwellers dependent upon the soil. It would be the greatest mistake to measure the prosperity of Ceylon by the affluence of its comparatively few capitalists, great and small, who may number about 4 or 5 per cent. of the total population.

The Government of Ceylon from 1815 to 1910 might be rightly described as an autocratic administration, spurning both criticism and advice from whatever source. Owing to its unfortunate methods, what should have been gained by honest open judgment from outside was lost by inordinate secrecy within.

The election of Sir P. Ramanathan, C.M.G., was an initial step, long overdue, in satisfying a national desire for representation in voicing the demands and grievances of the country at large. Sir Ramanathan's presence in the Council not only stimulated national desires, but awakened an interest in public affairs, rousing the people to a sense which had been stagnant for a hundred years. The public spirit and unfailing courage of this Ceylon statesman will ever remain a testimony to his varied accomplishments. The greatest tribute to his memory is the measure of success he achieved in lifting the people above the pale of officialdom and making them conscious of their own existence.

Though entirely inadequate, one elected member was a beginning. Educated opinion regarded it, however, somewhat in the nature of an affront. Opinion less

cultured marked it as the birth of a new era, looking confidently to the future when the industries killed by foreign competition would be revived and the resources of the country properly developed. As time went on, agitation grew, with the result that gradually the constitution suffered slight changes for the better. But the way was slow and tedious, and those concessions made were a sorry fumbling towards the light of real reform. Often the Governor stepped in, using his governmental majority to veto any unwelcome policy put forward by Sir Ramanathan and other Ceylonese statesmen.

Not until 1920 was the official majority replaced by an unofficial one composed of elected and nominated members. No honest attempt was made to educate the Ceylonese to a proper appreciation of themselves as governors, the officials recognising that extra power invested in the nationals meant loss of their prestige. Hence, every reform suggested was opposed by them.

Let it here be clearly stated that nowhere is there such an unnecessarily numerous and expensive official staff, a fact testified by even Sir William Barton, a man of wide political experience as regards the East.

The first political agitators were dubbed by Sir Hugh Clifford "the little core of rot," and it is interesting to note that years afterwards, when he returned to Ceylon in the capacity of Governor, several of the members of his Council were drawn from this same group. Whatever eulogies may be offered to Sir Hugh Clifford as an administrator of primitive peoples, it will not be denied that he was sadly miscast as Governor of Ceylon. But even he admitted that Ceylon was the "most advanced of the Crown Colonies."

Speaking at a luncheon given in his honour, just before he came out to Ceylon, by the Council of the Royal Colonial Institute, at the Victoria Hotel, with Lord Stanley of Alderley in the chair, Sir Hugh Clifford said: "I know of no contrast more complete than that presented by the West African Colonies, in which I had been privileged to serve, and the premier Crown Colony, the government of which I am about to assume. In West Africa we have infant peoples in many tribal units, several of which move in the most primitive

condition of rudimentary culture, whereas in Ceylon we have a people whose ancestors many years before our era had attained a high state of civilisation, artistic achievement and engineering skill. . . . I am passing from the most primitive and simple conditions to *the oldest and most advanced of the Crown Colonies.*"

Sir Hugh's official career was cut short by his voluntary retirement from the Governorship of Ceylon, where he felt he was out of place, to take up duties in British Malaya, where he had commenced as a youth of eighteen. Before leaving, he wrote a despatch to the Secretary of State concerning the constitutional question in Ceylon, but though repeated requests have been made for the publication of that document, so far its contents have not been divulged.

It is the present writer's personal conviction that the despatch was couched in such terms that the Government thought it more discreet to place the document among the curiosities in the secret archives of the Colonial Office.

There followed a Royal Commission under Lord Donoughmore to enquire into the constitutional question in Ceylon, which resulted in the setting up of the Donoughmore Constitution in 1931. Both within the island and outside it the new régime met with considerable opposition, prominent personages affirming their belief that Ceylon was worthy of something better.

The following extract from Dr. Rutherford's appeal to the Anglo-Saxon race on the issue of world peace may be taken as that eminent sociologist's opinion of the Donoughmore Constitution :

"For more than a century and a quarter England has occupied the unenviable position of usurper and exploiter of Ceylon, depriving Ceylonese of their inalienable right to govern themselves and to direct the destiny of their own country, emasculating them and arresting their natural evolution. Of this unpardonable crime against Liberty and Justice England stands condemned, and her defence that she had made roads and railways and trade improvements in the island only magnifies her mental and moral decline, which England's greatest son describes as

'The Devil hath power
To assume such a pleasing shape.'

“Ceylon keeps patiently and constitutionally knocking at the door of Freedom, which England maintains barred and bolted in spite of all the constitution-mongering by British Governments, which have modelled and remodelled the Legislative Council times without number without sacrificing an inch of British authority. The latest essay in the fine art is the Report of the Donoughmore Commission on the Constitution, presented to Parliament in July, 1928.”

An additional opinion is supplied by Sir Sivaswamy Aiyer, here quoted:

“The scheme does not,” he said, “appear to me to be calculated to create or promote a sense of responsibility, or to pave the way for responsible government, as ordinarily understood. The scheme offers no facilities for the evolution of responsible government. On the other hand, the attainment of that ideal will be rendered impossible and the people led into the wilderness of unorganised political opinion, petty intrigue and inefficient administration. The scheme is eminently fitted to foster political ineptitude.”

The new Constitution granted adult suffrage. It enfranchised some one and a half millions of voters, of whom more than 600,000 were women. The State Council consisted of sixty-one members, fifty being elected by the people. The Governor was empowered to nominate eight members representing the minorities. There were appointed three *ex-officio* members with the title of Officers of State—the Chief Secretary, the Legal Secretary and the Financial Secretary. In the first Council set up there were nine Englishmen with seats in the Council, two of whom were elected by popular vote, a proof of the absence of any antipathy towards Britishers on the part of the Ceylonese. Two ladies, a Sinhalese and a Tamil, were also elected by the people, proof that there exists no aversion towards women representatives.

The State Council is presided over by a Speaker appointed by the members themselves, who also appoint seven committees out of their number. Each committee elects a chairman, who *ipso facto* becomes a minister. Of the seven ministers so raised at the State Council's inception, five were Sinhalese, one Tamil and one Mahommedan. In the Council set up for the second term all the ministers happen to be Sinhalese. This

defect I trust will be remedied at the earliest opportunity by the election of one or two ministers from the other communities, who for more than one reason deserve representation on the ministerial board.

Pledges were given that the power vested in the person of the Governor would be used only when urgent necessity arose.

The Constitution here detailed has now been in operation for more than seven years, proving itself quite inadequate to the needs of the island. The Government—a clumsy machine at best—has long been creaking, showing that its component parts are of ill design and badly fitted. Continued working in its present form bids fair to wreck the machine completely. Skilled political engineers should be requisitioned forthwith to draw up new plans and reconstruct the whole faulty system. Delay may prove fatal, and in any case postponement will render reconstruction more difficult. It is imperative that the present Constitution be mended or ended, for it has had a fair trial and been found wanting.

It goes without saying that English Commissioners, however versatile, cannot see with the eyes of an Oriental nor feel as he feels. At present official British feeling appears to be against change, a request from the State Council for reform having been turned down.

A great English proconsul once confessed to me that English officialdom was inherently antipathetic to change. He said: "The unpopularity of both the India and Colonial Offices and their reputation for being reactionary is mainly due to the fact that they do not redress grievances promptly. They delay matters until the people affected are driven to despair, when settlement becomes increasingly difficult. This is precisely what happened in India. The Indian peoples would have been content, in my opinion, with even less than they gained by force and agitation had their original moderate demands been promptly satisfied many years ago, and reforms granted them with good grace."

Reform anywhere has ever been a slow process where

Governments are concerned, and popular amendment to existing law has always had to be hardly wrung from unwilling law-makers. Evolution is too tardy a business for ardent reformers. The trouble is that Government rarely possesses the vision to see where its blunders are heading. Its chiefs are usually too occupied with studying the far horizon to notice the ground about their feet.

The world condition today shows that this is true. The spirit of unrest is abroad in every land, and out of this universal feeling of discontent and insecurity are born the "isms" and "ists" that men have come to know as "national movements" and patriots. They are in essence manifestations of popular mistrust and fear, and their origins in every case can be traced to original bad government.

Among the Ceylonese there is a burning desire to put their house in order. It is intolerable for a spirited people like the inhabitants of Ceylon, with ancient culture and traditions, to live perpetually in a state of inferiority, having it impressed upon them at every turn. Under the island's ancient régime self-government extended even to the villages, where the village elders managed their own fields and pastureland, organised their people and settled their disputes without let or hindrance, living a communal life after their own fashion.

This state of affairs disappeared under foreign dominion, but its spirit has endured till this day, being now manifested by the demand for full responsible government. The Donoughmore Constitution granted the "shadow of democracy," which, shorn of its substance, is of small value. Political responsibility without the compensating accompaniment of financial responsibility is of little avail to any people. The Ceylon State Council is at present not permitted to control some 80 per cent. of the national revenue. Such a state of things places the members in an extremely invidious position, their relationship to the British officials being comparable only to that of a small boy whose over-severe parents prohibit him spending his own pocket money.

THE GOVERNOR'S POWERS

As elsewhere stated, at the founding of the Donoughmore Constitution pledges were given that only in matters of "paramount importance" would the Governor use the special powers vested in his person. Sir Graeme Thompson himself emphasised the same point. In actual fact, under his jurisdiction exceptional circumstances appeared to extend to the most trivial occasions. Even the paltry instance of a Government printer assumed proportions of "paramount importance"—the term, like charity, evidently being used in an elastic manner to cover a multitude of sins. In this fashion were the Royal instructions contained in the Order in Council set at naught, instructions which stated in the clearest manner that the internal management of the country should be left in the hands of the people of Ceylon.

The printer incident referred to is worth recording in detail, as it provides a shining example of the way not to govern. An English printer, one Mr. Horne, was appointed to the post of official compositor at the Government printing office. On the expiry of his term of service it was decided by the Council not to re-engage him, but to appoint a Ceylonese, a more competent man, in his place, since the Ceylonese, however well qualified, can only hope for employment within the borders of their own country. This decision was immediately construed as a matter of "paramount importance," the Governor using his privilege to retain the English compositor in service. Such an outrage on justice could not be tolerated, and members of the Council manifested their indignation by proposing a vote of censure on the Governor.

On that occasion Sir D. B. Jayatilaka, Leader of the House, said: "I am opposed to any sort of certification, and in this particular instance I quite agree that the reserve powers of the Governor were misapplied, and a wrong interpretation given to the term 'paramount importance.'" Doubtless in a country containing im-

portant minorities reserve powers on the part of the Governor are not without a certain degree of usefulness, but to abuse them in the manner here cited is a direct inducement to public agitation and has led to the present clamour for curtailment of the Governor's powers.

THE OFFICERS OF STATE

Without being responsible in any way to the Legislature, the three Officers of State hold charge of large departments. The police system, defence measures and certain fiscal arrangements are all the monopoly of the Imperial Government. Until their control is transferred to the State Council it is plain that there can be no smooth running between the Officers of State and the ministers. With fettered hands these ministers have worked on, even when obstructed by the officers aforesaid, submitting to the indignity of publicly confessing their impotency. It will be seen, therefore, that the lot of a Ceylonese minister is by no means a happy or enviable one. Under existing conditions his political life is beset by shallows and bafflements. Curbed at every important juncture, he finds himself sensitively reacting to the anomaly of his position, and nothing he sees alters the conviction that the sooner the present system comes to an end the better.

I quote here the outspoken confession of the able Minister for Agriculture and Lands, made in Council on September 6, 1934. He said: "But for the esteem and regard I hold for my Leader, I would have resigned my post and avoided the deep humiliation I have had to endure."

The ostensible object with which this unholy trinity of Officers of State was created—namely, to guide inexperienced ministers—was defined by Sir D. B. Jayatilaka in an address to the Ceylon National Congress. Meanwhile measures have been passed under the Governor's authority without consulting the ministers directly concerned, who have nevertheless to provide the necessary revenue to meet these measures.

Dr. Drummond Shields, one of the Donoughmore Commissioners, acknowledged that by such a condition of affairs their object has been defeated and the promises of Government gone unfulfilled.

THE MINISTERS OF STATE AND THEIR COMMITTEES

“Under this peculiar Constitution,” stated the Hon. Mr. T. B. Panabokke, then Minister for Medical and Sanitary Services, “people of different schools of thought have become a Board of Ministers with collective financial responsibility, therefore the position of the individual minister becomes an extremely difficult one.” Under the Donoughmore system there exists no central authority, nor is there any real responsibility, which constitute its two main defects.

The chairmen of the seven executive committees who form the Board of Ministers, though to some extent they shape the policy and are responsible for the Budget, do not constitute a Ministry in the usual sense of the term. They are backed by no party, neither can they freely evolve any policy which they have formulated. It frequently happens that they cannot even secure the approval of their own committee for measures they have prepared. In these circumstances the electorate are helpless to fix the blame on any particular individual for an unpopular decree. Moreover, heads of departments are permitted to address the Governor or Secretary of State without reference to their immediate minister. Nothing could be more ludicrous than this farce of responsible government. It is a matter for wonder that a Government so modelled is able to function at all. Given similar circumstances, in any European country deadlock would have resulted long ago. That it has not done so is largely due to the tact and the indomitable patience and resolve of the Board of Ministers to persevere in their struggle to work a Constitution in which all the odds are against them. These latter have received praise on every hand, Sir William Barton stating in an article in the *National Review*: “It

must be admitted that, when all their difficulties are considered, the Board has done some useful work. It comprises men of distinct ability and some political experience."

Writing of the State Council in the *Spectator*, Mr. Philip Jordan states: "In spite of all this, the State Council performs with considerable dignity the administrative and legislative functions which have been assigned to it."

The following tribute from the Governor, Sir Edward Stubbs, too, at St. Andrew's dinner in November, 1935, was paid:

"We are at present in a period of transition and we have just come to the end of the period of the first State Council under the present constitution.

"I feel sure that many of you are prepared in your minds to criticise the things that have been done or have been left undone by the State Council. But I should like to say that the citizens of this country can be congratulated on the manner in which difficult situations during the past few years have been tackled. (Applause.) For a people not used to self-government, and for a people who had various fissures in their body politic, on the whole we may congratulate the people of this country on the manner in which the Legislature has conducted itself during the past few years." (Applause.)

When it is remembered that the State Council came into being at a time of unprecedented financial depression, which caused a slump in all the chief products of the island, its revenue dropping from £9,000,000 to the region of £7,000,000, it will be allowed without quibble that Ceylon ministers emerged from their ordeal with honour. The Budget of 1934 showed a surplus of some £2,000,000—a remarkable recovery indeed!

Again to quote Mr. Jordan: "Much of the credit for a phenomenally rapid rise to an acceptance and understanding of responsibility is due to the Ministers of State, all of whom have proved themselves strong enough to carry their quite unaccustomed burdens."

This testimony from such an authority should be sufficient to prove to all it concerns that there is no foundation for the hoary libel that the Ceylonese are unfitted for self-government. The following extracts from a letter to the Governor by the ministers in April, 1933, make plain

their attitude on matters connected with the Government, while the memorandum to Sir Philip Cunliffe-Lister, the then Secretary of State for the Colonies, presented in September, 1935, deals at length with the working of this freak Constitution.

Taken together, these two documents will expose the many difficulties in working it, and present the strongest possible case for its immediate reformation.

TEXT OF CORRESPONDENCE

The action criticised referred to the following matters:—

The raising of the maximum pension, from all sources combined, prescribed in Section 2 of the Minutes on Pensions from £1,300 per annum to £2,000 per annum.

The fixing of a greater number of years' purchase than ten for the commutation of pensions of officers retiring prematurely.

The alteration of the time when a public officer may exercise the option to commute his pension from the date of his attaining pensionable status to the date of his retirement.

FAITH SHAKEN

Ministers' Letter to Governor.

The following extracts from the letter to the Governor by Mr. F. G. Tyrrell, Chairman, on behalf of the Ministers, explain their attitude:—

The Ministers desire particularly to emphasise that it is in no spirit of niggardliness towards the public services that these representations are made. . . . It is on the larger constitutional issue of weighty measures of State that they are so perturbed.

When they entered upon their duties they did so with full faith in His Majesty's Royal Instructions that the Governor shall consult freely with his Ministers and shall seek to keep himself fully informed of their wishes and opinions and those of the people of the Island. Your Excellency's action has grievously shaken this faith. They are now filled with genuine alarm to find that measures entailing serious financial commitments are adopted without either the Ministers or the State Council being given the opportunity of considering them.

On this arises the question as to whether measures such as the three amendments to the regulations governing pensions are relatively of sufficient importance to merit Your Excellency's consulting the Ministers and the State Council. It is often said that an unhealthy element of the politics of Ceylon is the degree of interest taken by the

State Council in the conditions of service, salaries, pensions, etc., of public servants, and advice has freely been offered to the State Council by individual Officers of State that they would do well to leave the public services alone. This is a view which appears to have much force, particularly when one considers the scope of Parliamentary politics in highly organised countries of the West, where questions of foreign policy, defence, weighty questions of domestic policy, such as those arising from the modern conditions of industrial life, financial questions relating to currency and the Public Debt, and many similar matters, engage a considerable part of the attention of the Legislature. In Ceylon few, if any, of these questions arise.

STATE COUNCIL'S DUTY

This is illustrated by the fact that of our public revenue of 92 million rupees over 50 million is absorbed in the payment of the salaries and pensions of public servants. A considerable portion of the balance expenditure is on interest and Military contribution; and the expenditure on other services is comparatively small. There are few Legislative measures which do not involve financial considerations, many schemes of social legislation cannot at the present time be thought of owing to lack of funds. It is inevitable that, whether it is a question of taxation, or of some measure involving a financial burden on the country, the public service which absorbs more than half the public revenue should loom large in the deliberations of the Council. The very fact that the Constitution contains stringent safeguards of the privileges of public servants imposes upon the State Council the duty of scrutinizing any attempts to enlarge these privileges to the detriment of the small and inadequate portion of the public exchequer left for schemes of social legislation and advancement of the general prosperity of the country.

This attitude is naturally more pronounced at a time like the present, when the revenue is rapidly dwindling, and social and other public services have been cut down to the barest minimum. These circumstances intensify the gravity of the three amendments referred to in this letter. In regard to one at least of these amendments—viz., the increase of the number of years' purchase of commuted pensions—we understand that exhaustive representations were received by Your Excellency and the Secretary of State from the Civil Service Association and kindred bodies of public servants, and that these representations were carefully considered. Is it an unreasonable complaint that the people of Ceylon, who have to provide the money for payment of these enhanced pensions, have not been consulted through their chosen representatives in the State Council? The cry of "leave the public service alone" can only come from one who is either ignorant of the social and political conditions of this country, or refuses to acknowledge realities.

“ WELLNIGH INTOLERABLE ”

In conclusion, the Ministers would respectfully submit that the constitutional position involved in Your Excellency's action, at a time of great financial stringency, in altering existing privileges of public servants so as to commit the country to a heavier financial burden, and Your Excellency's refusal to accept the advice of the Ministers tendered, on their own responsibility, and in deference to an unequivocal expression of opinion by the State Council, is one of gravest importance, and a definite ruling by the Secretary of State on this question is urgently required. Charged as they are with the duty of formulating the annual Budget proposals, the Ministers feel that to acquiesce in the principle that the Governor has the right to pass such measures, without consulting the Ministers or having them placed before the State Council, would make their constitutional position wellnigh intolerable.

THE MEMORANDUM

The following is the text of the Ministers' Memorandum to Sir Philip Cunliffe-Lister, Secretary of State, on the working of the present Constitution:—

The present Constitution is the outcome of recommendations contained in the Report of the Special Commission on the Ceylon Constitution. It is not the purpose of this memorandum to criticise the Report or to animadvert on the wisdom or unwisdom of accepting the reform proposals of the Commissioners subject to minor modifications made by Lord Passfield's Despatch of October 10, 1929. It must, however, be noted that there was and is a considerable and influential body of public opinion in the country that the scheme is not acceptable as falling far short of full responsible government. Apart from this main objection, other objections raised to the scheme were *inter alia* (1) the grant of unnecessarily enhanced powers to the Governor, (2) the creation of the Committee System, (3) the abridgment of the powers of control of the purse exercised by the Council, and (4) the absence of provisions for the revision of the Constitution after a specified period of time. The outstanding features of the proposed Constitution which were regarded by certain sections of the public as valuable assets in shaping the future political advancement of the country were the distinct advantages to be gained by (1) the abolition of Communal Representation, (2) the transfer of Executive authority to elected representatives of the people, (3) the grant for the first time of the power of initiation, however limited in scope, arising from the creation of seven Ministries responsible to the Legislature, (4) the grant of universal suffrage, and (5) the acceptance of “domicile” as the standard test for inclusion in the

register of voters. It was recognized that the proposed Constitution was a temporary one and that therefore, in the transitory stage of Ceylon's political career, the advantages offered by the scheme might be utilised as a vantage-ground from which it may be possible to advance towards full self-government. The tone of Lord Passfield's despatch, wherein the admission was made that "the scheme is a novel one and its adoption is admittedly in the nature of an experiment," and the statement made by Sir Herbert Stanley in his despatch that "it would be fair, however, to recognise that diffidence in regard to the Committee System had been strongly felt and emphatically expressed, and that an eventual failure of a genuine attempt to overcome its difficulties would not necessarily imply unfitness for self-government," contributed, in no small measure, to the ultimate decision in favour of the acceptance of the scheme; and the scheme of Reforms was, after a full and protracted debate in the Legislative Council, accepted on December 12, 1929, by a majority of two votes (19 to 17).

[The memorandum then briefly summarises the main features of the Constitution and proceeds to discuss the "working of the Constitution."]

CONSTITUTION IN WORKING

THE STATE COUNCIL.

The power of the State Council to deal with administrative as well as legislative functions and the recognition of the right and responsibility attaching to each one of the Unofficial members has naturally resulted in a tendency on the part of the Council to devote a good deal of time to the examination of details which are better left in the hands of responsible Ministers and their Executive Committees. But with growing experience this tendency may perhaps gradually disappear. Indeed it is difficult to imagine how such a large body as the State Council could attempt to conduct administration except by delegation of its powers to Standing Committees. This fact has been recognised to some extent by the Council itself, but it could hardly be expected that all the old preconceptions, prejudices and suspicions should vanish forthwith. The Council on the whole, however, has acted with circumspection and restraint, for it has happened that practically in every case the action taken by the responsible Executive Committee and reported to the Council for approval under Article 45 of the Order-in-Council has met with the approval of the Council. Out of 85 decisions of the Executive Committees reported to the Council ever since its inception up to the end of December, 1932, for approval, there is only one recorded instance of an Executive Committee's recommendation—and that on a subject of minor importance—having been turned down by the

Council; two were referred back for further consideration; while the remainder with the exception of such few as were withdrawn were approved by the Council.

MINISTERS AND EXECUTIVE COMMITTEES.

The Committee System has been in operation for a period of just over a year and a half, and it is therefore too early to pass a verdict on its success or failure. There is undoubtedly a divergence of opinion on this point, but the State Council in the course of the debates on the Reform motions after an experience of less than a year had expressed itself in favour of its continuance. The experience of individual Ministers varies and as the success or failure depends to a large extent on the personnel of the Committee it is impossible for the Ministers collectively to give a considered opinion on the suitability or otherwise of the Committee System in its present form. It has been suggested in many quarters that the executive functions of the Committee as a whole should devolve on the Minister acting on his own responsibility but with the advice of his Committee. The evolution of the Committee System in this direction will not only tend to promote the expeditious handling of business but will facilitate the arduous task of the Board of Ministers in initiating and framing the financial policy of the Island by taking a comprehensive view of the needs of the country. In the absence of Ministerial responsibility each Executive Committee pursues its own policy and there is no central authority under the Constitution which has the power to guide and co-ordinate the policies of the various Committees. It is obviously impossible for a large body like the State Council to take the place of a Cabinet. The proper body should be the Board of Ministers, but as it is, with responsibility for the execution of policies diffused among the members of the various Executive Committees, the Board of Ministers which is invested with ultimate financial responsibility has no means of enforcing its financial policy on any Executive Committee which chooses to ignore it.

OFFICERS OF STATE.

“The attitude of the State Council, however, has naturally and rightly been different in respect of the subjects administered by the Officers of State. Neither the State Council nor the country can remain reconciled to a condition of affairs by which large and important functions of Government are administered by officials who are not responsible to the Legislature. The aim and object of those who recommended the present Constitution was the transfer to the elected representatives of the people of complete control over the internal affairs of the Island subject only to provisions which will ensure during a transitory stage that they are helped by the advice of experienced officials and to the exercise by the Governor of certain

safeguarding powers. The Donoughmore Commissioners repeatedly laid stress on the fact that the Officers of State, while being responsible in a ministerial capacity for administering those special departments retained in their charge, should administer the departments with the primary object of assisting and not hampering their elected colleagues of whose policy their activities will be largely implementary. The recommendations as translated into the Order-in-Council, however, have created an altogether different situation. A form of government has been created with marked and definite division of responsibility in administration, and the Constitution in its working has tended to emphasise the distinction between Officers of State and elected Ministers. The Officers of State regard themselves as officials who owe their allegiance to the Governor and accordingly have to account for their administration not to the Council but to the Governor alone, to whom they claim to be directly and solely responsible. They have the right to express both to the Governor and to the Council opinions which may not be in accordance with those held by their elected colleagues on the Board of Ministers. This right they have exercised not infrequently, thereby impairing unity of action on the part of the Board of Ministers even in matters in which collective responsibility is imposed on the Ministers and weakening the authority that should attach to the decisions of the Board (*vide* the Observations of the Financial Secretary attached to the Ministers' proposals in connection with the Scholarship in Forestry on page 228 of Hansard, 1932, the De Soysa Lying-in-Home on page 1017 of Hansard, 1932, the Appropriation Bill of 1932-33 on page 2348 of Hansard, 1932, the Minneriya Development Scheme of Hansard, December, 1932, the Appropriation Bill of 1931-32). The maintenance of this anomalous position is one of the gravest defects of the Constitution and operates adversely against the successful and smooth working of the Constitution.

THE GOVERNOR.

It was the intention of the Donoughmore Commissioners that all Ministers, including Officers of State, should be equally responsible for giving advice and assistance to the Governor. It is therefore incumbent on the Governor to preserve constant touch with the Ministers individually. And the Royal Instructions to the Governor are:—

- (a) In all matters in which powers and functions are by that Order assigned either to the State Council, or to the Board of Ministers, or to Executive Committees, the Governor, in the exercise of that authority which is reserved to him in relation to those matters, shall give the most favourable consideration to the views expressed and to the advice tendered to him by the body in which those powers and functions reside. In all such matters he shall exercise his authority according to his own deliberate judgment, but in such

manner that it shall be supervisory rather than executive, and he will not act contrary to the views or to the advice aforesaid unless he shall consider that the principles of Our said Order, or his own responsibility thereunder, shall so require.

(b) The Governor shall consult freely with his Ministers and shall seek to keep himself fully informed of their wishes and opinions and those of the people of the Island. He shall communicate to the Board of Ministers all public despatches which he shall address to or receive from any of Our Principal Secretaries of State relating to any subject or functions with which the Board of Ministers, or any Executive Committee, is concerned, and such other despatches as he shall think it expedient to communicate for the purpose of informing his Ministers of the tenor of current correspondence between him and any of Our Principal Secretaries of State.

We regret to say, however, that our expectations in this regard have not been realised. It is no doubt true that the Governor has always shown his willingness to meet the Ministers if the latter chose to do so, but there has not been anything like a frequent consultation with the Ministers on his own initiative before arriving at important decisions. In fact an inner Cabinet has been created composed of the three Officers of State, who have been thus afforded special opportunities of obtaining the ear of the Governor and securing the adoption of measures without the knowledge or approval of the Board of Ministers. This is a development which is totally repugnant to the spirit and the letter of the Constitution and has enhanced the difficulties of working the Constitution. Pension Minutes have been altered, amended, and added to on the advice of the Officers of State without any reference to the Board of Ministers of the State Council. It is true that the subject of Pensions is one administered by the Financial Secretary. But it is none the less equally true that the alteration of any pension rule to the advantage of a public officer imposes a charge on the public revenue, and no such measure, however small its financial implications may be, should be adopted without reference to the Board of Ministers and the State Council. Then, again, in April last, on a resolution passed by the State Council and on the advice of the Board of Ministers, His Excellency the Governor appointed a Salaries and Cadres Commission, and this Commission issued an Interim Report in July last and the Final Report in October. The Governor, without consulting the Board of Ministers or taking the Ministers into his confidence, referred the Interim Report to the Secretary of State and obtained decisions thereon. The proper constitutional course was for the Governor to address the Secretary of State after the Board had formulated its proposals and obtained decisions in the State Council. It is recognised that the Secretary of State is the final arbiter in all matters affecting the salaries, emoluments and conditions of service of Public Servants. But his decisions

on these matters should be sought, not in advance, but finally after the normal constitutional procedure had been followed.

The Donoughmore Commissioners considered it important "that all the Ministers should be made acquainted with the tenor of current correspondence with the Secretary of State, whether directly applicable to their departments or not."

This recommendation, however, is ignored and the Governor has thought it fit to communicate to the Ministers only the routine and unimportant correspondence between him and the Secretary of State. In the recent conflict between the Governor and the State Council on the question of the salary cuts of the Public Servants, the correspondence between the Governor and the Secretary of State was not placed before the Board of Ministers, and in spite of requests made, the right of access to the despatches on the subject was denied to the Ministers. Even in the matter of the Salaries and Cadres Commissioners' Report, only the bare communication from the Secretary of State conveying his decisions has been placed before the Board of Ministers.

PUBLIC SERVICES COMMISSION.

The fact that this body is composed of only the three Officers of State who themselves are in the position of Ministers administering certain departments of Government places the elected Ministers in an unenviable position in relation to the officers working under them. It is no doubt essential to protect the Public Service as far as possible from political or personal influences and to give it that position of stability and security so vital to its successful working as the impartial and efficient instrument by which the Governments may give effect to their policies. There are therefore undoubtedly advantages in having a Public Services Commission to deal with the recruitment and control of the Public Services. Its composition, however, should be entirely different. There is no justification in having as its Members Public Servants who, themselves being in charge of departments, cannot be expected to take that independent and detached view in dealing with the many complex problems that arise for disposal by a Public Services Commission. It is of the utmost importance that the Commissioners should be men of the highest public standing unconnected with the Public Service and detached so far as practicable from all political associations.

Under the existing Public Service Regulations, recommendations for filling vacancies are made in the first instance to the Public Services Commission and thereafter reference is made to the Executive Committee for its recommendation. In order to establish a better liaison between a Minister and the Head of a Department and to simplify the procedure, it is considered that the more satisfactory course would be for the Head of the Department to make his recommendation through his Minister.

SECRETARY OF STATE.

The remarks in respect of the exercise of the special powers by the Governor apply equally to the exercise of the corresponding powers by the Secretary of State. He has adjudicated on *ex parte* reports without hearing the Board of Ministers or the State Council. It is impossible for the Secretary of State to be the final arbiter in all matters if his powers are exercised prematurely on representations made by the Governor without having the considered views of the elected representatives of the people before him.

GENERAL OBSERVATIONS

The Civil Service.

The majority of the British Civil Servants, having little or no conjunction with the inhabitants, except for such matters as made contact imperative, placed themselves in a position of isolation. This policy of isolation, extending over a century, has been responsible for infinite misunderstanding. No serious effort having been made to get into friendly touch with the inhabitants, their point of view was not recognised, nor any right appreciation arrived at of their character, history or former institutions. A false estimate of their racial characteristics being thus formed, true sympathy or comradeship between the official class and those they administered had no existence.

From this elemental and deplorable ignorance regarding the Ceylonese emanated the Waste Lands Ordinance which depopulated the villages and, in the words of the first Ceylonese Minister of Education, "transformed an honourable peasantry into a pack of landless bankrupts."

Social isolation on the part of the Civil Servants did not tend to strengthen relations with the inhabitants, and the feeling thus engendered extended itself to the people themselves. This attitude towards the Ceylonese was a particularly graceless act in consideration that the cost of maintaining the Civil Servants is borne by those they, possibly unintentionally, affronted. When it is reflected that the Prime Minister of Australia receives an annual salary of less than £2,000, comparison with Ceylon becomes ridiculous. Salaries to public servants in the island absorb

no less than 57 per cent. of its total revenue. This relatively vast amount is paid out of a national income from all sources of some £7,000,000 per annum. Before a penny can be spent on the advancement of the country itself, 65 per cent. of its incomings is earmarked for salaries, wages and other charges of an over-staffed and over-paid administration. Pensions, passages backwards and forwards to England, and other expenses swallow up much money. The total is a heavy price for a subject people to pay, especially when they are discontented with the mode of government. There is small chance of economic improvement in face of this prodigious expenditure on officials. Yet when money is needed for urgent social or commerical purposes, the cry is set up: "Retrench! Economise! No national funds are available for new schemes."

Honest peasants and their offspring may suffer through malnutrition and disease; secondary and rural education may be in a backward condition; land development may be proceeding at a snail's pace; but the official salaries must be met first before anything can be done to improve the sad conditions prevailing in Ceylon.

The Civil Service of Ceylon undoubtedly contains able men, who on retirement bear away to their home country the rich experience they have gained, which would be very welcome in the land they leave behind. It is obviously more reasonable and to the island's better advantage to appoint officials who, when their work comes to an end, will remain in the country which provides them with a livelihood so remunerative. It is the present writer's hope that the noble example set by Sir William Twynam and Mr. Freeman in this matter to their British colleagues in the Ceylon Civil Service will inspire some of them at least to act likewise. The names of Twynam and Freeman will ever be treasured in the hearts and affection of a grateful people.

The attitude adopted by the Ceylonese towards the Civil Service is by no means anti-British. It arises exclusively from the purest patriotic motives, to stand for

their own first. It can best be defined as pro-Ceylonese. The State Council voted against passage money being paid to Civil Servants once in four years instead of five as it was previously, especially owing to the great financial depression. But the Governor gave his assent to the expenditure in question, which created much bitter feeling among the inhabitants.

Yielding to public agitation, the Governor set up a commission under the Hon. Mr. R. L. Pereira, K.C., then a judge of the Supreme Court, to sift the salary question thoroughly. At a cost of Rs 50,000, spent largely on travel through the island, the commission drew up a detailed report which instantly met with strong disapproval from the Secretary of State, who stated that he could not permit the interests of the public services under his control to be menaced by the investigation. So the whole work of the commission proved abortive and time and money was wasted. In face of known national feeling, it comes as a shock to find the Secretary of State arranging to recruit still more cadets from England into the Ceylon Civil Service, appointing them in direct opposition to the will of the Ministers. By such acts as this is confidence in the Government shaken and its benign intentions put in question.

A letter sent in August, 1935, from the Board of Ministers to the Governor stated:

“ It is the firm opinion of the Ministers that there is likely to be no dearth of Ceylonese candidates of sufficiently high educational qualifications to be suitably recruited to the service, and that no recruitment of Europeans is necessary. They were, therefore, unable to agree to the subsequent proposal of the Secretary of State that seven candidates in all should be selected in 1935, two of whom should be Europeans.

“ They view with much apprehension the decision now conveyed to them that, unless they suggested satisfactory salary conditions for European Cadets, the Secretary of State proposed to appoint two European Cadets in 1935 on terms which he would fix on the basis of salaries drawn by members of the Colonial Administrative Service elsewhere.

“ They regret that this decision has been taken in contravention of the principle expressed by the Secretary of State in his own despatch

of November 20, 1932, and they desire to state emphatically that they can give no consent to the appropriation of any portion of the country's finances to the purpose of paying officers whose services they are convinced the country does not at the moment need."

The Waste Lands Ordinance.

This decree, the most iniquitous ever introduced into Ceylon and an ugly blot upon the Statute Book, was passed at a time when the country was governed by a Legislative Council composed of European officials, with a handful of members nominated from the Ceylonese community. There was no elective representation whatever, and the nominated members merely formed an insignificant chorus which invariably took up whatever refrain the officials chanted.

No law could have injured rural dwellers more deeply and irreparably than this.

In the time of the Ceylon Kings each village was a self-governing entity, self-contained as regards its communal fields and food crops, while ample pasture ground existed for the cattle, ensuring an adequate milk supply. The necessary irrigation works to water these lands were splendidly maintained. Under these arrangements hunger or shortage among the villagers was unknown.

By the Waste Lands Ordinance large areas of these communal lands, which formed the mainstay of the peasants, were seized by the Government and sold to tea and rubber planters for estates. As may easily be imagined, the effect upon the villages was disastrous, and tens of thousands were reduced to beggary. The Ceylonese member nominated by the Governor to the Council at the time, though a thing of the Government, rebelled sufficiently to declare that the Government of Ceylon was acting the part of a highway robber in passing an ordinance so callously unrighteous.

Nevertheless it was carried into law by the official majority. Villages were depopulated, many disappearing entirely before the advance of the estate schemes, and the unfortunate inhabitants set wandering in search of the

common necessities of life. Peasants who had hitherto been prosperous and independent became estate coolies and factory workers, being driven to accept any form of labour that offered in order to eat.

What has been the ultimate result upon these poor people? They have become a kind of "surplus population," a sort of flotsam and jetsam cast up by the tide of an unjustifiable land policy. From sturdy, healthy beings they have degenerated into ill-nourished creatures, lacking vitality and incapable of resisting disease, as shown by the colossal death roll in the recent malaria epidemic, when over 100,000 victims perished.

Chiefly through lack of milk, infant mortality in the rural areas has risen to the staggering figure of 35,000 during the first year of life, while 4,000 mothers, mostly ill-nourished, die annually at childbirth. The Minister of Medical Services has appealed for the organization of a Red Cross Society "owing to the inability of Government to provide the necessary finance for such a purpose"!

Nothing is done until someone does it, and before a work can be undertaken plans fitting to the circumstances must be made. If any permanent improvement in the state of the Ceylon peasant is to be achieved, he must be repatriated, and rehabilitated as well as productive land restored to him. Otherwise his condition will get worse, and the time is not far distant when a genuine countryman will be as rare as sincerity.

There is little doubt that Sir Ponambalam Arunachelam had the Ceylon villager in mind when he wrote his famous letter to Edward Boyd Carpenter.

In this connection the British planter must not be blamed, for the faults of Government are not his. He has come to Ceylon to invest his capital, and very naturally looks for a return. Lands that might have been turned over to him have been left uncultivated. As it is, when a serious movement is afoot to change matters, the most fertile lands in the wet zone have already been sold to European companies.

It must be placed on record here that the services

rendered by the planters to the villagers during the recent unfortunate malaria epidemic deserve all praise.

The Land Development and Alienation Ordinance, which purports to settle peasants on the land again, can never meet with anything like success as long as the land earmarked for this purpose is unproductive and also situated in unhealthy districts.

With the break-up of village life, Ceylon arts and crafts virtually disappeared also. Sporadic attempts are now being made to revive the lost home industries. Mr. John Still, a lover of Ceylon, in a radio talk from the London B.B.C., said:

“Another thing to weigh against material prosperity is the decay of art in Ceylon; art in its widest meaning. There were famous Sinhalese poets in the past. There are none now: they read English instead. Their sculpture is dead, too. In the ruined cities one finds solemn stone images of Buddha; and godlike forms with cobra hoods encircling their heads; and figures of animals, elephants, horses, lions and bulls. More charming still are the bands of merry little dwarfs who play and dance round the capitals of the stone pillars. Now all this art is dead, or nearly dead.”

In the words of the poet Goldsmith,

“A brave peasantry, their country’s pride,
When once destroyed, can never be supplied.”

The Socialist Party in England feel very keenly on the matter of colonial exploitation, having included “Extension of mandate system for Colonial Territories” in their recent election manifesto. Mr. Herbert Morrison, speaking at Brighton, said: “I would be prepared, and I think the Socialist Party would agree, that no individual State shall have Crown Colonies at all, that all of them, French, Italian, and British, shall be handed over to the League of Nations and administered by mandates controlled internationally. . . . We would remove the possibility of the Beaverbrooks using them as they want to use them, as fields for exploitation by British capital in the interest of British adventurers.”

Speaking at the National Peace Committee on the same

subject, Earl Russell affirmed: "There is no apparent reason why one country should have more of an empire than another. We should hand over our Crown Colonies to the League of Nations or to some other international body. Then we should no longer be a source of envy."

This plan is favoured even by certain Tories, whom Lord Beaverbrook has dubbed "Tory wobblers." The old idea of colonies being playgrounds run for the benefit of bureaucrats is fast giving place to the more advanced view that colonies should only be held in trust until such time as the inhabitants have proved themselves capable of governing them.

The tiny Pacific island of Tonga supplies a unique example of a land policy appropriate to an agrarian people.

Poverty is "practically a criminal offence" on the beautiful Pacific island of Tonga, says Reuter's Auckland (New Zealand) correspondent. There is a "compulsory prosperity law" in force on the island, and it is regarded as a most serious offence to break it.

The Prime Minister of Tonga, Tugi, who is also prince consort of Queen Salote Tubou, explaining the system on a visit to Auckland, said that the law lays it down that when a Tongan boy reaches the age of sixteen he shall receive eight and a quarter acres of land from the State. Eight acres he must plant as an insurance against starvation. On the other quarter of an acre he has to build himself a home.

Education.

If self-government is ever to be achieved in its most satisfactory form, the rudiments can only be properly learned from a sound system of education adapted to the requirements of the country.

The destinies of Ceylon being so integrally bound up with things English, it is inevitable that, in the main, Ceylonese education partakes very largely of the flavour of the English system. Where economic competition is so keen between the two peoples this is to some extent compulsory, but it is quite possible, according to a distinguished English educationalist, to receive a good education entirely in the Ceylon vernacular. However that may be, an impartial critic, after a survey of schools

and methods, would certainly arrive at the conclusion that the educational system that had been in force throughout Ceylon was by no means perfect, and was at best but a feeble imitation of the English one.

Imitation is precisely what the island should avoid. It should evolve its own methods, reaching the light through its own blunders or genius, for, left to itself, there is not a shadow of doubt it will do so. Up till now education has been mulct of its due in favour of commercial enterprise. Efforts have been lacking to make the people conscious that they are a people with a past and a future. Too long this fallacious policy of Macaulay has been considered ideal.

“We must do our best to form a class who may be interpreters between us and the millions we govern; *a class of persons, Indian in blood and colour, but English in taste, in opinions, words and intellect.* Uprooting of a vernacular was the extermination of a race or at least of all its peculiar characteristics; *speech, thought and existence were so closely bound up that it was impossible to separate them.*”

There must be encouraged and inculcated in the Ceylonese youth a proper pride of country because it is their country. They must be taught that to ape a European nation in everything is first-class folly that can bring nothing but ridicule upon them.

“Imitation,” says Tagore, “belongs to the dead mould; life never imitates, it assimilates.”

Above all, there must be unity among the various communities; no disparagement of one community by another; no social division or sense of superiority due to language, creed or race. The habitants of Ceylon should be Ceylonese first and foremost, and Sinhalese, Tamil, Burgher or whatnot after that. To have national solidarity is essential. That is Ceylon's great need. The Ceylonese must form one nation.

Credit is due to those missionary schools which have done so much to raise the standard of education in the country. Had the island been wholly dependent upon Government establishments, one fears to contemplate what the result might have been. The fair percentage of

literate throughout the island was a determining factor in inducing the Donoughmore Commissioners to grant universal suffrage to Ceylon. Of the Christian missions, the Roman Catholics, I believe, take the lead for the number of their very efficient educational institutions in various parts of the island. They were also the first to undertake rural reconstruction work by the establishment of farms. The Very Rev. Father Le Goc, Rector of St. Joseph's College, the pioneer of this work, has received great praise from all sides, including the Minister for Agriculture in Ceylon, for his most admirable work in this direction.

For many years the Government system of education was conducted heedless of the history, literature, ancient culture or even geographical surroundings of the people it ostensibly catered for. It treated them as if they were a particularly ignorant brand of Englishmen, and tended to produce what it has done in far too many instances, a spineless type of Anglicised individual lacking the verve and culture of both England and his own country. Mr. W. R. Watson, Assistant Director of Education, made a violent attack on the educational system in Ceylon, during the course of which he said: "An educational system wholly unsuited to this country has been blindly transplanted here from the West."

To fulfil its rightful function education must be free, and adapted in all its branches to the wants of those who are to assimilate it. It must work from the known to the unknown; in this case from Ceylon to England, and not *vice versa* as hitherto. Given fair conditions, a renaissance will occur politically, socially and economically. Already there are signs that it is on the way, and it is but a matter of time when, like a tidal wave, it will sweep resistlessly through the country, cleansing the land of all uncleanness.

Ceylon history and the different vernaculars now figure in the curriculum of the colleges. The village schools are being steadily improved. The Minister for Education, speaking at the opening of a rural training centre in

August, 1935, spoke in terms of the highest praise of the scheme of education imparted, as follows:

The rural scheme of education did not consist, he explained, in merely adding what was called a "rural or agricultural bias" to the ordinary curriculum. Nor was it intended that the scheme should turn all school children into cultivators. It had an important bearing on agriculture, but it would be a great mistake to think that all the Rural Scheme did was to add a little agriculture to the ordinary school subjects.

He then contrasted the old theory of the three "R's" with the modern theory of the four "H's"—viz., Health Head, Hand and Heart, or in Sinhalese, Hitha, Hatha, Hisa, Gatha. It was realised that without introducing into the ordinary curriculum of the school definite Health instruction and activities little else could be of value.

The training of the intellect or the Head was not neglected, but this, he said, took its rightful place as only one of the aims of a good system of education. Incidentally it had been found that the intellectual development of the pupils had been much easier and more effective when it was done alongside the other aims of the school. In the ordinary academic examinations like the J. S. C. the pupils of rural schools had shown better results than pupils in the ordinary schools.

The Heart stood for æsthetic and emotional development of the pupils and the Hand stood for the development of the practical faculties.

Continuing, he said that the practical work done in that Centre had given scope to the instinct to create something which was worth while. It had been accomplished through the sweat of the brow, but it had given a new idea to those there of what vast improvements could be accomplished in the villages through the medium of the village school.

To indicate the spirit which animated that Centre, which had been in existence for only one year, he proceeded to detail the actual work done. The work, he emphasized, was carried out entirely by the staff and the students, with the co-operation of the village in the few cases when outside help was needed.

Apart from works of construction, time had always been found for recreation and games. In the evenings volley ball, chess and table tennis were played, while training was given in Udekki and Leekeli under an expert teacher.

INDOOR WORK IN THE AFTERNOONS

The normal time-table followed in the Centre laid down that the morning session until 12.30 p.m. was spent in outdoor work, while

the afternoons were occupied with indoor work, which consisted in correlating as far as possible practical work with the usual subjects of the school curriculum.

The literary side also had not been neglected. Literature, art and music formed an important part of the curriculum. This was undertaken in the afternoons and evenings, and the students, in spite of the many tasks they performed, had found opportunities to produce a fortnightly magazine in three languages—English, Sinhalese and Tamil. They had also organized a Literary Union and had weekly meetings, conducted by the students themselves, when matters educational and matters of general interest were freely discussed among themselves.

In spite of the strenuous time-table the staff and students rendered valuable service as relief workers during the malaria epidemic.

Notwithstanding the good quality of the mental food supplied, much remains to be done in order to give the children a healthy and sufficient diet. Statistics disclose that of the 600,000 scholars attending rural schools, it is the exception to find one who is hygienically nourished. "Mens sana in corpore sano." A healthy body is the only receptacle for a healthy mind, and before this state is possible the parents must be lifted out of the dire poverty which is their lot. Poverty everywhere should be regarded as the worst of crimes, but especially in a country where Nature has poured most bountifully her gifts. At present, children of nearly 1,000 schools are being provided with a free midday meal.

For years Ceylon has been asking for the endowment of a university, which has not yet materialised. For a quarter of a century the matter has been discussed, played with and turned down. The present writer's contribution in 1923 to the protracted dog fight is to be found in the Appendix to this volume. It is a curious anomaly that while Indian States boast their universities, England's Premier Crown Colony is denied one.

Lack of funds, an excuse put forward so often by Government to cover its shortcomings that its repetition has become monotonous, is the explanation advanced for the non-existence of a university. It has been promised time and again. Its construction was authorised by the Legislative Council in 1928, but in the interim not a brick

nor a stone has been laid. Yet funds are always available for schemes which Government regards with a friendly eye. The logical conclusion to be reached is that Government is against the building of such an institution. If that is really so, then it does not seem to favour the fusion of Sinhalese with Tamil, Moor and the rest who live cheek by jowl in Ceylon. It is needless to point out the immense influence that an established residential university would have in creating a united front among the inhabitants, or to stress the manifold advantages in the way of social amenities that would arise out of it.

At present the examinational system in force tends to produce mostly a crop of auxiliary workers who are pale reflections of petty officials anywhere, lacking both enterprise and initiative, and destitute of national pride. That the average Ceylonese turned out of most Ceylon schools is fitted in a great many cases to be nothing but an underling, and that he can look for no higher position, cannot be denied. That the situation so created is the fault of Government and not of the Ceylonese themselves must be admitted. The general effect has been wholly negative in stunting national intellect, retarding individual progress, and doing nothing whatever to stimulate real patriotism. How can it be expected then for any ambitious young islander to become aught else than a counterfeit production, a mediocre paraphrase of his European equivalent? Ceylon cries aloud for a Ceylonese university for its young men and maidens, and not an indifferent copy of educational institutions elsewhere. This important matter has again been discussed in the Ceylon State Council early in 1937, and the decision of the former Legislative Council—to build a residential university—has again been adopted, but precisely when this university will see the light of day it is impossible to forecast, if one may judge by past experience.

We do not want, for example, the type that exists in India of which Rabindranath Tagore says: "Through the length and breadth of India there is not a single university where a foreign or Indian student can be

awakened to a realisation of what is best in Indian culture, and no student in them is able to become the best product of the Indian mind. Indian universities endow high-sounding degrees composed of borrowed feathers. The training obtained in Indian schools was not to produce, but to borrow. They have in India all the furnishings of the university except the human factor."

So long as there exists no university in Ceylon, so long will there be a dearth of good Ceylonese teachers and an absence of outstanding intellectuals. Till Government rouse itself to display some concern in the cultural development of the people and make education a prime care, we shall look in vain for a Ceylonese "dilettante." There is infinite discontent in the island at the present condition of things. Even a child would revolt at being constantly put off with saccharine tablets when he had waited long and patiently for sweetmeats.

This question of higher education cannot be underlined too strongly. The future belongs to the youth of the land, and its ultimate destiny is theirs, so let their voice be heard! That "the youth of a country are the guardians of posterity" was one of the most misleading platitudes ever uttered by a sixty-year-old Disraeli. They are not, and most politicians in Europe, especially, see to it that they are not. The real guardians, it is presumed, must be greybeards and baldheads, long past assimilating new ideas in any form, and whose perpetual prayer is: "Let nothing change." The youth movements in European countries, especially in Germany and Italy, have done so much for their country and helped to build up the physique of the young people by work on land that it may be introduced with advantage into Ceylon, which will make life worth living for the young.

It is useful to note what Ceylonese youth has to say about the Donoughmore Constitution and rural reconstruction in their organ *Young Ceylon*.

The Donoughmore Commission has awakened this country to the peril of depending on Englishmen to draft a Constitution for Ceylon. The Donoughmore Constitution has robbed us of political rights

under the glamour of phantom Ministers and has delivered us bound hand and foot to the tender mercies of the Public Servants and the official satraps. Another Commission will take what is left. The future of this country must be decided by the people themselves. We can invest no faith in commissions, however well-intentioned. Besides this perpetual dependence on outsiders to decide our political future is inimical to our national growth. It cannot any longer be countenanced. So our advice to Sir Henry Page Croft is: "Hands off Ceylon."

The work of national reconstruction, however, cannot be done haphazard or piece-meal. It is a great work that has to be greatly done. There must be a definite plan of action embracing every aspect of national wealth. Even our education ought to be recast with an emphasis on a business and agricultural training. Young men should be given specialised education in modern commerce and scientific agriculture. Every resource of the Island, intellectual, financial and agricultural, should be tapped and harnessed to the national weal. Our school teachers should be the apostles of national reconstruction. They have in their special keeping the training of the intellect of the youth of the country in a practical national consciousness. The beginnings of nation building lie there. Then the State should by legislation and tariff, by subsidies and grants, create new enterprises and give support and assistance to the other promising ones. The leaders of the country should keep in the forefront of their agitation the paramount importance of making the country solvent. The public generally should aid with interest and enthusiasm and if need be with service and sacrifice in this stupendous task. For the nation is on the eve of collapse. We are, today, a poverty-stricken nation in a land of abundant resources and infinite possibilities. It is unnecessary to speculate on what has contributed to it. What is needed is to take stock of the situation and work on a concerted plan to ensure a new era of national prosperity. The task is our own. The burden and the heat of it is also our own. The victory, too, will be our own. We must be the architects of this new era, for nations by themselves are made. This is the challenge of the moment to this country and its people. How and in what measure they will respond to it will be the measure of the success and prosperity that will await us when we emerge out of a period of depression which, despite its severe hardships, has forged for us the weapons with which to recast our national life on the firm foundations of financial and business autonomy.

In a scheme of national planning one must not overlook the great work that has to be done in the villages among the rural population. The greatest work before us is there. *Our villages are swallowed by large plantations* and our village and cottage industries are decaying. The co-operative movement in its manifold aspects, including Co-operative Banking, offers the most effective vehicle of rural emancipation. The

urgency and importance of this aspect of work cannot be ignored, for without a contented peasantry there can be no hope for this land.

It will be seen that young Ceylon is by no means blind to the work awaiting them in the villages.

THE CEYLON HOUSE IN LONDON

While on the subject of the education of Ceylon youth, I cannot help but point out here the great advantages that would be derived by the Ceylon students in Great Britain if the Ceylon House established there took an individual interest in their careers and helped them in every way to achieve the best that life offers in a great country like Britain during the best and the most impressionable age of their lives. As it is, these students who are destined to be the leaders of thought and action in Ceylon are entirely left to shift for themselves without a guide.

For the most part, they see little worth the seeing while abroad on what would help them in the shaping of their careers. They have not even the opportunity of seeing the best side of English life, and so return to the land of their birth with great opportunities missed which, had they been properly cared for, would have helped to make them better men, better fitted to undertake the great work awaiting them—the regeneration of their motherland.

I have discussed this subject with the then head of the Ceylon House in London, Dr. Paul E. Pieris, C.M.G., who, while fully agreeing with my views on the subject, regretted that he was not authorised to handle the matter.

I had previously expressed my views on the subject to Sir Gilbert Grindle, then Assistant Under-Secretary at the Colonial Office in charge of Ceylon, and H.E. Sir Edward Stubbs, Governor of Ceylon, both of whom expressed their sympathy with the object.

The Ceylon House in London as at present constituted cannot justify its expenditure unless it does something for the Ceylon students, which alone would be a sufficient reason for its existence. There is nothing worth mention-

ing that the Ceylon House has done for Ceylon trade so far. This is no fault of the Trade Commissioner.

Certain things England wants to buy Ceylon cannot supply, and what Ceylon wishes to sell England does not want, with the exception of, chiefly, tea, rubber and coconut products, all of which are well known abroad and, in fact, even over-advertised.

Finance.

"The flywheel of our modern social system is sound finance," says Pierpont Morgan, one of the world's richest plutocrats. "Any slackening in the speed of the wheel means untold suffering to millions. Its stoppage may spell annihilation to an entire people; at the least, it will certainly prove their undoing."

Having amassed so many millions wrung from the hard hands of the workers, Mr. Morgan is presumably in a position to know, and may be accepted as an authority on matters relating to finance.

Being handicapped by the lack of easy credit facilities, which would have been given long ago by any Government not placing their own interests first, for a century Ceylon has laboured under a crushing disadvantage. This was felt most acutely during the world depression which commenced in 1930, when the lowest depths of financial distress were plumbed by the Ceylonese, thousands of whom are still in sorry plight owing to it.

Until very recently only two antiquated banking institutions, the Savings Bank and the Public Loan Board, were provided by Government as monetary mediums for the people, the European banks being run chiefly to finance European business schemes. Not being loan banks, they object to tying up their money for indefinite periods, and having no contact with the people it is only possible in special instances to obtain credit through a broker or shroff. Consequently, a loan negotiated by this means is a far more expensive operation for a Ceylonese than for a European, rendering him unable to compete on equal terms with foreign rivals. In consideration that

these same banks hold custody of national deposits and treasury balances of some R.20,000,000, the inhabitants deserve better treatment. Extending borrowing facilities to the people by British banks will tend greatly to increase the goodwill of the Ceylonese.

Though ample security has been forthcoming, loans and overdrafts granted readily to Europeans have been refused again and again to Ceylonese. The existing situation is well exposed by the following:

“ In the State Council, speaking recently on the Debtors Bill, Mr. Senanayake gave some instances of how Ceylonese were treated by the Banks. For a Rs.1,000 overdraft a coconut estate of 800 acres, together with a house valued at Rs.40,000 in Colombo, was offered to the Bank as security, but the Bank refused to accept this as security. In another case of a Rs.1,000 overdraft the borrower offered shares valued at Rs.8,000 as security, the shares which that very year paid a dividend of 15 per cent. But the Bank refused to accept the offer. If these be facts do you wonder that Ceylon is so poor as it is ?

“ If the country is to advance, the direction of the country must be undertaken by those who have a permanent interest in it.”

Refused by the British banks, the Ceylonese borrower turns either to the Chettiers (moneylenders from South India) or to the rapacious Afghan; both these extort exorbitant rates of interest varying from 15 to 100 per cent. or more. To the borrower these circumstances are aggravated in knowledge of the fact that the Chettiar moneylenders are themselves financed by the British banks. As it is, the sooner these two classes of lenders are expelled from the country the better it will be for Ceylon.

Surplus balances accumulated by the Government have been invested mainly in securities outside the country, bringing no more benefit to the people than the bare 4 per cent. or 5 per cent. interest they have yielded. Under self-government such monies would have been retained in Ceylon as a national investment, assisting the small man and the Government on terms favourable to both.

In England, to mention only two, there is the Bankers' Industrial Development Company with a capital of

£6,000,000, of which the Bank of England subscribes a quarter, while the remaining three-quarters is provided by other London banks and financial houses. There is also the Credit for Industry Company, Limited. Various are the other institutions existing there for a similar purpose. The absence of credit facilities in Ceylon shows a singular disregard and lack of consciousness on the part of the Government of its financial obligations towards the inhabitants. Hence, all the chief business concerns in the island, including shipping, are in the hands of non-Ceylonese, political servitude having brought in its train economic bondage also.

The State Mortgage Bank, established a few years ago, only finances agriculture, purchase, erection or lease of buildings or payment of debts incurred on above purposes, being legally precluded from loaning money for other purposes. A bank of this nature with a small capital could not satisfy the needs of a large community. The establishment of a State-aided bank able to deal with financial matters in all branches is doubly necessary if the Ceylonese are to have fair play.

The ground covering the question of the required bank has already been thoroughly explored by Sir S. H. Pochkhanawala, Sir Marcus Fernando and Dr. S. C. Paul, who in December, 1934, produced an exhaustive report, a short summary of which is here reproduced, recommending the "establishment of a State-aided National Bank free from political influence."

"The Commission dismissed the case for a State Bank because of 'the danger of its being reduced to a Government Department subject to all the disadvantages and disabilities incidental to departmental rigidity and red-tapeism,' and because 'form and procedure would predominate and economic realities be treated as of lesser importance.'

It recommended a State-aided bank, with a constitution 'designed so as to overcome the above drawbacks,' and it stated:

'It is essential that the principal indigenous bank of the Island should have a formidable capital, so that it may be able to maintain its prestige among other banks doing business in Ceylon and inspire confidence in the public.'

‘The people of the Island are not familiar with joint stock banking enterprise. . . . The State, therefore, ought to assist the bank with a part of its capital.

Freedom from political interference ought to be the essential consideration in evolving the constitution of such a bank. The issued capital should in the first instance be only Rs.10,000,000.

‘Such a bank, it is stated, would be able to compete successfully with the banks now doing business in Ceylon.’

The Commission pays a tribute to commercial banks which form the most important part of the credit structure of the Island, and states that the older of these banks have materially contributed to the building up of economic Ceylon.”

It will be seen that nothing is asked for that does not already exist in other progressive states. In the most convincing manner the report demonstrates the burning necessity for a change, focusing attention upon the grave financial condition of the people. An entirely new policy is required to save the country and give it life. A transfusion of blood must take place on a grand scale. The present Constitution has shown itself incapable of performing the operation.

The full report produced by the above-mentioned commission runs into 285 pages, and makes very interesting reading. It ends up with a summary of its conclusions and recommendations.

I take the opportunity of reproducing this summary in the Appendix, which to any unprejudiced mind will carry the conviction that the people of Ceylon have tolerated for very many years a financial subjection which could not exist for a moment even in the least advanced countries in Europe.

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CHAPTER III

INDUSTRIAL DEVELOPMENT

ADDRESSING the Royal Empire Society on the industrial future of India, Sir Alfred Watson, editor of the *Calcutta Statesman*, said: "I know it is the fashion to be lyrical about the achievements of Britishers in India . . . but I measure the possibilities, and the gap is appalling. For more than 200 years we have been in India, and for the greater part of that time we have been supreme. Yet India is today one of the backward nations of the world economically, and very backward in industry."

Not a very glowing tribute by an Englishman to his own people. The indictment behind it is both unmistakable and indefensible. What is said of India is even more appropriate to Ceylon.

The inhabitants of Ceylon are now aware of the laws of cause and effect, and are to be put off no longer.

Apart from tea, rubber and coconut, there is no industry in Ceylon worth mentioning; 90 per cent. of its manufactured goods are obtained from abroad; two-thirds of its food supply is imported. Formerly, during the time of the Sinhalese Kings, with a much larger population, the island exported large quantities of rice. Today large quantities of the same commodity have to be brought into the country to feed its people.

Though there is an abundance of excellent raw material, good craftsmen and a plentiful supply of cheap labour, none of these are properly utilised, and there is a remarkable absence of home-manufactured articles; while in the way of agriculture scarcely one-third of the island's superficial area has been scratched.

Whatever goods are produced in Ceylon will be for home consumption largely, as in the present state of world trade there is little prospect of them finding an outside market. If the standard of living for the Ceylonese peasant is raised, a demand for home-manufactured goods will immediately follow. So long as they remain in their present wretched state of "pathetic contentment," living under conditions of the direst poverty, there can be no demand. This is particularly the affair of the State Council. A fixed purpose united with team work and a setting aside of petty differences would effect startling changes in a minimum of time. Political sagacity is needed for the job, but even without it determination can work wonders.

Industries developed in Ceylon would have to be protected by tariffs and floated by Government aid. Agricultural products would have to command a better price if the people are to enjoy increased purchasing power. Not a single reason can be advanced why Ceylon, within a few years, should not only be self-supporting, but take her place among the exporting countries.

Certain small industries already in existence, such as the match, soap, sugar and cloth manufactures, might easily be developed on immeasurably larger lines with the expenditure of moderate capital.

The Government, which seems to bungle most things it touches, has done little to help home industries. The Hydor-Electric scheme, begun with infinite *éclat*, and which was heralded to do so much for Ceylon industries, has made no progress worth speaking about.

EMPIRE FREE TRADE

This not very original nor clever scheme was invented largely by a newspaper proprietor for the delectation of his readers. On paper Empire Free Trade has a fine ring, reminiscent of Tudor times: of Raleigh, Drake and singeing the beard of the King of Spain. It embodies all the old tricks and clap-trap of imperialism.

Since, however, there seem to be some misguided individuals who profess faith in this pernicious plan, it will be given notice here insomuch as it touches Ceylon.

The Ottawa Agreements were made by the Colonial Office in London without previous consultation with Ceylon. Neither was the "oldest and most advanced Crown Colony" represented by anyone from the island itself. It is customary for countries to fix their individual fiscal policies to suit the conditions peculiar to the country, and it is dangerous for anyone, however highly placed, to interfere with these arrangements even in the interests of so important a country as Great Britain. To attempt to bring all countries arbitrarily into line without studying their wishes or conferring with their representatives is a proceeding fraught with peril for both parties. For a Secretary of State to use his official power in the manner of a dictator is unfair to the country concerned, and when the rights of the people are trampled under foot and acts committed in defiance of their will, the onus, together with whatever may result, must fall upon the Imperial Government. In order to achieve success, therefore, its policy must be based upon the sacred will of the people. Any action which sets this at naught can only produce unrest and trouble. "It is well known that the British colonial policy," said a Member of Parliament to me, "has undergone no material change since the American War of Independence." The Colonial Office, bound by red tape and tradition, are hemmed in by so many rules and regulations that even the most progressive of its officials can find no avenue of escape.

Reproach must not be laid lightly at the door of the British officials actually in the field in the colonies. They are merely servants of Whitehall, and have, willy-nilly, to carry out the policy prescribed to them. In the matter of Empire Free Trade, Ceylon gives preferential treatment on a number of British goods, such as silk and luxury articles, hardly receiving any concessions in return. Plumbago, until recently one of the island's basic industries, was allowed no preference of consequence in

British markets. As a result of this treatment, plumbago mining is practically at a standstill, throwing great numbers of workers out of employment, British buyers electing to purchase the mineral *from the French possession of Madagascar*.

The Ceylonese alone are qualified to fix a fiscal policy for Ceylon, and should be left free to treat it as they will.

During the financial depression the cheap Japanese cloth imported into Ceylon was an immense boon to the poor of the island. The purchase of this material in increasing quantities by them was duly noted by the Secretary of State, who ordered the Governor to prohibit any further import, except only a small quota, of Japanese cloth, to the sartorial disadvantage of the poorer Ceylonese, but to the benefit of idle Lancashire cotton mills. The poor in Ceylon have no objection to buying their cloth from Lancashire if it is produced at a price they can pay.

A propos of this measure, Sir Andrew McFadyean, one-time secretary to Mr. Baldwin, in an article to the *Spectator*, said: "We have already started to bully Ceylon." A people outraged always find some means of retaliation, and there ensued a boycott of British goods in the island.

Could those who imposed this unjust and thoughtless order have witnessed incidents seen by the present writer in Ceylon villages, even their official hearts might be softened. To these poverty-stricken peasants, to whom the difference of a single cent means so much, prohibition of Japanese cloth was a calamity. I have watched them when taking a bath in the streams, stay in the water for hours till the poor rags they have put off are dry, since they possess no change of clothing. If British Colonies had their official representatives in the House of Commons in London, as in the case of French colonies, these things could not be. Quotas have now been enhanced for foreign cotton piece goods and artificial silk after much agitation. But a quota system that is forcibly imposed must be looked upon as an instrument of exploitation. The trade in luxury articles can be directed towards the

mother country, but the poor must buy in the cheapest market.

Mr. K. Balasingham, an expert economist, has dealt exhaustively with the question of Empire Free Trade in its relation to Ceylon. The following article from his pen sheds important light upon the matter.

THE PERILS OF PREFERENCE

EXECUTIVE COMMITTEE'S REPORT EXAMINED

The British Empire, which contains more than one-fourth of the land area of this planet, with countries in all stages of development, is far too large a unit to form an economic group or to adopt an Imperial Zollverein (or Customs Union).

EXPLOITATION OF THE WEAK.

Free trade within the Empire will help the ruthless exploitation of the less advanced parts of the Empire by the more advanced portions of it, and place a great barrier in the way of the industrial development of the tropical colonies.

It was expected by Cobden and other free traders that other European nations would adopt free trade, and that that would help England to retain her position as the work-shop of the world, which she then was.

Having failed to induce even a single nation to adopt free trade, England proposed free trade between herself and the rest of the Empire.

WHAT DOMINIONS DECLINED.

The self-governing Dominions refused the proposed Zollverein. But India and the Crown Colonies were forced to adopt free trade, and even excise taxes were imposed on Indian mills to prevent competition with Britain.

But under free trade so established other nations are ousting Britain from the colonial markets, and even the home market. The time has therefore come to adopt protective duties at home. It is now proposed to admit duty-free into England colonial raw materials, which no manufacturing countries can ever afford to tax, and on the strength of that gracious concession we are asked to admit British manufactured goods practically duty free.

THE OBJECTIVE.

It is quite clear that if each Colony imposed a protective tariff, and fixed a preferential tariff in favour of England which was over

the minimum necessary for protection of the colonial industries, England would have no use for that kind of preference. What England really wants is the imposition of a duty which will keep out other nations from the colonial market, but which will easily admit her; not a tariff hurdle which no nation can clear. The raising of the impassable hurdle still higher when other nations attempt the jump, as some of the Dominions do, would be a cruel mockery.

Of what use would a protective tariff be to Ceylon if it is not high enough to foster the industrial development of the country and of what little use would a colonial tariff be to England which serves the interests of the Colonies?

RETALIATION INEVITABLE.

Even a babe would realise that the competitors of Britain would not tolerate so large an area of this globe falling not only under the political control of Britain, but also becoming a close marketing preserve for her exclusive benefit.

A German writer expresses what is the continental view:

"The livelihood of our working classes directly depends on the maintenance and expansion of our export trade. It is a question of life and death for us to keep open our oversea commerce."

The Executive Committee of Labour, Industry and Commerce attempts to meet the difficulty by pointing out that there are treaties between Britain and Germany, Japan, Italy and other foreign Powers against retaliation.

It is foolish to expect that the Great Powers would not make every attempt to break through an arrangement which would place them at a great disadvantage in British Colonial markets.

IS ENGLAND OUR BEST CUSTOMER ?

It is urged by the Committee that on an average about 40 per cent. of our exports go to the United Kingdom and that we might give preference to our best customer.

Our total exports in 1929 were of the value of Rs.390 million, and of this we sent tea to England valued at Rs.126 million, or about 32½ per cent.

If we omit the tea exports our trade with England is small, worth only 10 per cent.

Tea is largely an industry belonging to shareholders residing in England, whose dividends are sent to England, not in cash but in the shape of tea.

THE TEA INDUSTRY.

The main argument for preference urged by the European community in Ceylon is based on the fact that England has given us a preference of twopence per lb. on tea.

This preference is given to Empire tea, not to Ceylon. The chief portions of the Empire where tea is grown are India and Ceylon. Ceylon and India exported between them 600 million lbs. of tea in 1930. (We exported 243 million lbs.) Of the 470 million lbs. of tea purchased by England, she bought from us 153 million lbs. and from India 247 million lbs. The rest came from Java, where there are British-owned tea estates, and from China. We can never prevent a small quantity of China tea from going to England as some people prefer it. English shareholders owning tea estates in Java will also get at least a portion of their tea sent to England in payment of dividends.

If out of 70 million lbs. of tea which England buys from Java and China we succeed in capturing 35 million, is the gain resulting to Ceylon so great as to justify our disturbing the existing fiscal system and courting all the attendant risks?

The tea shut out from England will be sent by Java to other countries where our tea is now sold and the nett gain to us must be small indeed.

It may be noted that the Empire Research Committee reported last year that the total remission of the tea duty did not benefit the consumer, which means that the imports were not larger. They recommended therefore the re-imposition of a duty of twopence on foreign teas.

PLUMBAGO.

The Committee reports:

"Plumbago has to compete in the United Kingdom with imports from Madagascar and Bavaria and therefore a preference of 10 per cent. is insufficient. The industry would like a 20 per cent. preference, and obviously there is no chance of attaining it unless Ceylon reciprocates at least as regards some imports from the United Kingdom."

The reason that the industry "would like" to get a 20 per cent. protection in the British market is not a sufficient reason for adopting the policy of imperial preference. But it would seem that the Committee regards the plumbago argument as decisive. It is admitted that the 10 per cent. preference, which is all that England has offered for Empire products, cannot help the Ceylon plumbago industry. As it is necessary to ask for more it is urged that we must admit some British manufactured goods on a preferential tariff.

The questions which have to be considered in this connection are:

What is the world production of plumbago?

What is the world consumption?

What is the consumption of the United Kingdom ?

Is it at all likely that a manufacturing country would tax a raw material 20 per cent. for benefiting Ceylon, which is perhaps the only Colony interested ?

The total annual world production of plumbago was estimated at 103,000 metric tons in 1923. Our output was estimated at one-tenth of the world supply. The annual production in Madagascar is estimated at 40 to 50 thousand tons. But the output is now less owing to restricted demand. About $2\frac{1}{2}$ times the quantity mined in Ceylon was mined in Germany in 1923. Yet Germany has been buying more plumbago from Ceylon than the United Kingdom.

Similarly Japan, in spite of the fact that the output within her Empire (in Korea) was nearly double that of Ceylon, took 50 per cent. more than the United Kingdom; and the United States, in spite of a small plumbago mining industry of her own, bought nearly half our plumbago exports.

England, on the other hand, bought only 13 per cent. of our output and bought the rest (the Committee tell us) from her trade competitors (France and Germany).

The decrease (in 1932) in naval armaments has had a direct effect on the demand for plumbago especially with regard to Ceylon, as Ceylon flake was the best crucible plumbago used for this purpose. Besides competition from Madagascar, Korea, and other countries, there is also the danger of competition with artificial plumbago, in the production of which Acheson Graphite Co. is engaged, using electric current from the Niagara Falls.

SEARCH FOR MARKETS.

The world production of plumbago would depend on the demand. At present the demand is restricted. The consumption in the United Kingdom is small and we shall have to find outside markets. It is not to be expected that a manufacturing country like England will impose a 20 per cent. tax on a raw material unless it is assured that it can get Empire plumbago as cheaply as before. If we do not get the benefit of an increased price by the preference, it would not be of any use to us to change our customers.

Any preference which England can give to our main exports—coconut, rubber, cacao, or citronella, etc.—cannot be of any appreciable assistance to Ceylon.

COCONUT.

The total quantity of copra and coconut oil (copra equivalent) which is exported by producing countries is 2,269 million lbs. and of this 771 millions are from the British Empire. The total imports of copra and coconut oil into the United Kingdom were 280 million

lbs. (The figures are the annual average for the quinquennium ending 1924).

It is clear then that the so-called preference by the United Kingdom to the British Empire coconut industry does not help Ceylon.

The British Empire countries will have to find markets for most of her coconut products in foreign countries.

Of the 2 million cwts. of copra exported by us in 1929 the United Kingdom took only 6,000 cwts., about $\frac{1}{3}$ per cent., while Italy and Germany each took 27 per cent. Of the 1,812,000 cwts. of copra we exported in 1930, the United Kingdom took 10,000 cwts., or about $\frac{1}{2}$ per cent., whereas Italy took 690,000 cwts., or nearly 40 per cent.

In 1931 the United Kingdom took only 8,600 cwts. out of 1,877,000 cwts., or less than $\frac{1}{2}$ per cent, whereas Italy took 632,000 cwts, or about 40 per cent. Of the coconut oil exported the United Kingdom took 231,000 cwts. out of 878,000 cwts. in 1929; 151,000 cwts. out of 763,000 in 1930; and 181,000 cwts. out of 962,000 in 1931. In this last year (1931) India took more than England (190,000 cwts. of oil).

RUBBER.

British Empire countries produce about 60 per cent. of the rubber produced in the world (860,000 tons).

England is a poor consumer of rubber. The bulk of British rubber must find foreign markets.

Out of 194 million lbs. exported by us in 1929, England took 41 million lbs. and the United States took 125 million lbs.

Out of 182 million lbs. of rubber we exported in 1930, England took 40 million lbs. and the United States 113 million lbs.

Out of the 145 million lbs. we exported in 1931, England took 23 million lbs. and the United States took 98 million lbs.

Any preference which can be given to British rubber will be of very little use to Ceylon in the circumstances.

CACAO.

The total world consumption of cacao is about 550,000 tons, and of this the Empire countries produce 350,000 tons.

Our share of this production in 1930 was only 3,800 tons. The consumption in the United Kingdom is about 65,000 tons per annum.

The Empire countries have to find foreign markets for their cacao.

England bought about one-sixth of our exports and about 62,000 tons from other British Colonies. Five-sixths of our produce has to find their way into foreign markets.

CITRONELLA.

Of the $1\frac{1}{4}$ million lbs. of citronella oil we exported, England bought only about $\frac{1}{4}$ million and the rest had to be sold in foreign markets.

Of what use can the preference given by England to Empire cacao or citronella be to Ceylon ? (Reproduced from the *Ceylon Daily News*, May 23, 1932).

The Rev. A. G. Frazer (son of Sir Andrew Frazer, formerly Lieut.-Governor of Bengal) once a Ceylon educationalist and later head of the Achimota College in British Africa, voices his opinion on Empire Free Trade thus: "This policy seems to me stupid and impractical at the present moment and also unfair. It is stupid and impractical if Britain, with her enormous share of Africa and of the world surface, refused to let other nations in. What was formerly academic envy becomes bitter hate. . . . During the Colonial Secretaryship of Sir Philip Cunliffe-Lister considerable ill-feeling had been roused against Britain over the Colonies."

"The policy of quotas and tariffs was also unfair," said Mr. Fraser, "because it meant that against the will of a poor colony goods were excluded and she was forced to buy dearer goods from the mother country which was considerably richer."

With this knowledge, it is scarcely the highest form of wisdom on the part of the Colonial Office to aggravate a situation so grievous by additional impositions.

CHAPTER IV FURTHER CONSIDERATIONS

THE FRANCHISE

IF the constitution of the Ceylon State Council is to be bettered and given the thews and sinews it so direly lacks, not only the constitution should be changed, but, while preserving manhood suffrage in the case of certain electorates, new members must be recruited on another basis also from among men possessing discernment, intelligence, vigour, courage and altruism. No one should be admitted who has a secret axe to grind. To these virtues must be added the grand essential . . . a sense of public duty free from bigotry and prejudice. Unless fresh candidates for the Legislature are possessed of some, at any rate, of these attributes, the same old blunders will go on being repeated *ad infinitum*.

Many Europeans and Ceylonese with a profound regard for Ceylon are agreed that manhood suffrage was granted to the island before the mass of its inhabitants had fully understood the meaning of "public spirit" or what obligations were entailed. Real education is not gained at a single jump. To produce the right results it must be taken in easy stages. No serious suggestion was made during the Round-Table Conference on the reformed Constitution for India to introduce universal suffrage into that country, it being generally granted that the bulk of Indians were not sufficiently educated in public affairs to receive the franchise. The franchise granted there is many-sided, and no important section of the community is left out. Conditions in Ceylon not being dissimilar

to those of India, it would seem desirable also to discriminate in granting the vote in certain electorates to the cultured and propertied class. By such a method the democracy in Ceylon would be moderated, which is essential to the good government of the country.

A fixed minimum degree of social education is imperative to the proper use of the vote and to the realisation of all that it means. Too often the voter in his ignorance forges a weapon which will be used against himself. Immediately prejudice creeps in, whether religious, racial or caste, the franchise is being criminally misused. It is useless to deny that under the present system in Ceylon grave abuses are not practised, members sacrificing to their particular party what they owe to the Ceylonese nation as a whole.

It would be no difficult matter to correct existing constitutional anomalies by the passage of a law of limitations, restricting the power to vote to those fulfilling an agreed standard of qualification.

Though the qualification of culture and wealth is sound and desirable, it should not be deemed sufficient in the case of non-Ceylonese. Some guarantee should be called for that voters have lived in the island for at least five years and that it is their intention to make Ceylon their permanent abiding-place. This condition was emphatically laid down by the Donoughmore Commission. The Governor, Sir Herbert Stanley, well aware of popular feeling about the matter, recommended to Lord Passfield that before voters' names were entered on the register a declaration of the intention to settle permanently in Ceylon be made compulsory.

The Secretary of State, in a despatch of October 10, 1929, stated: "The difficulty would be overcome by the proposal that the applicant, provided he can furnish satisfactory evidence of five years' residence, should be qualified for the vote in the production of a certificate of permanent settlement granted by some duly appointed officer. I propose that the provision should be made for this qualification in the Order in Council."

This all-important stipulation which made the Donoughmore findings less unacceptable to the Ceylonese did not figure in the Order in Council, and the omission has proved disastrous to the country. Too late it is seen that the inclusion of Indian labourers, to whom Ceylon is but a temporary home, was a grave mistake. Ceylonese leaders objected to it from the beginning, but were over-ridden by the European planters, who foresaw, or thought they foresaw, political power falling into their hands as a result. In effect, the reverse has been the case, the planters having been "hoisted with their own petard," for, unable to control the votes of their Indian employees, they themselves were defeated. In planting areas like Kandy, Newera-Eliya, Badulla, Kegalle and so on, the floating population have great power. They nominate their own candidates for certain electorates, and it is not too much to say that unless the system of voting is changed, it is only a matter of time till the permanent population of these areas will be totally unrepresented.

Indian feelings will not be hurt by the proposed limitation. There is too much vision and intelligence in India not to recognise the justice of Ceylon's demands regarding imported casual labour.

Another commission of enquiry is urgently called for to examine the workings and reactions of the present system and to remodel the machinery which up to now has produced such fateful results.

THE MINORITIES

Lord Morley once affirmed: "Government is the art of wisely dealing with huge groups of conflicting interests, of hostile passions, of hardly reconcilable aims, of vehemently opposed forces." Rightly or wrongly, some of the leaders of the Majority community in power in the Chamber have been accused of methods which have not commended themselves to the Minorities. If democratic government means anything at all, it certainly means the fusion of all parties into a harmonious whole for the common good.

As it is, race prejudice, creed prejudice and other causes are doing a certain amount of harm to Ceylon, and the sooner this state of affairs is amended the better it will be for the Ceylonese themselves.

Addressing the State Council after the last general election, the Governor, Sir Edward Stubbs, said: "More especially I deplore the introduction of the religious element. As the history of Europe teaches us, the intrusion of religion into politics is bad for politics and perhaps even worse for religion."

Equal opportunity for all sections of the community will bring universal satisfaction. The motto "Each for all, and all for each" is appropriate. Here is a unique chance for its practical application. Common sense, unselfish patriotism and zeal are wanted for the job, and with these attributes stimulating public affairs Ceylon can go ahead.

PUBLIC SERVICES COMMISSION

There is a strong suspicion prevailing in Ceylon that Public Service appointments do not always go to the best men. A motion introduced into the State Council in May, 1937, states: "This house deprecates the indefinite extent to which private recommendations are allowed to weigh with boards of selection, and is of opinion that a number of marks should attach to each particular qualification required of a candidate for appointment to a public post; and it specially states that the number of marks which should be awarded as the result of an interview should be definitely and publicly set out."

About two-thirds of the public servants employed in the island are Ceylonese. Appointments are sometimes made by backstairs influence, causing universal dissatisfaction and adversely affecting the administration. Count de Mauny, who has made his home in Ceylon for many years, says: "The cause of our repeated failures is not so much due to the men themselves as to the amateurish way in which we select and employ them." A Public

Services Commission free from political control and entirely independent should make appointments for the public services.

POWERS OF THE GOVERNOR

Even to the meanest intelligence, understanding of the term "paramount importance" presents no difficulty. Yet for a combination of abstruse, and to most people incomprehensible, reasons these two simple English words have on occasions been interpreted to mean something which is neither paramount nor important. Like charity, they have been used to cloak a number of official sins. Questions of minor appointments, for instance, officials' salaries and allowances, have been placed in the category of matters of paramount importance. The fact that a Government employee gets a hundred rupees more or less is scarcely a matter which will shake the world.

Lately the term has been suppressed in favour of another: "In the interest of public order, public faith or other essentials of good government," whatever that may mean. The Deputy Speaker, on asking Mr. Howard, the Legal Secretary, where the words came from, confessed that he had no idea, but said: "I find no precedent for those words."

The effect of this extraordinary paraphrase of "paramount importance" has been that many members, confronted with the veiled threat conveyed in the new translation, are now chary of carrying out work which is their special mission. In such an atmosphere it is impossible for members to do more than "grope in the dark," and their constituents keenly resent this curtailment of their representatives' liberty of action.

This asseveration must not be construed as a sly dig at the Governor, whose position at these times is invidious, particularly in questions of finance or the public services, when opposing advice from both sides confuse the issue—by the ministers on the one side and the Officers of State on the other.

It is unnecessary to stress the discomposure and concern of the Governor in such circumstances—circumstances which can never result in success.

Self-government as prescribed by the Donoughmore Commission has scarcely been a shining success, but at the same time it has not been altogether a dismal failure. In matters of land development, social services and public health the present Government have shown themselves able and progressive. But there remains always the handicap of uncertainty to act as a brake upon accomplishment.

In specific instances, however, there has been distinct retrogression, notably in the recent amendments proposed to the education code directed against Christian schools. Partiality, preferential treatment, must always be counted a retrograde step. In matters pertaining to religion Government should be neutral, unity being the goal presumably aimed at.

Nationalism is a fine thing so long as it preserves the "sacred differences" emphasised by D. H. Lawrence. To use nationalism as an instrument of flagellation or annihilation is to misunderstand its true meaning.

We must not forget that "outside" religions first introduced Western culture into Ceylon, and, remembering that, we should reflect before we act. There is a more fundamental matter—any experiment to neutralise or extinguish Western culture is fraught with grave dangers and cannot hope to triumph. Any attempt to become completely autonomous is bound to lead to disaster or extinction. Let us, therefore, look well before we leap. Our heritage is not the only thing that matters. In a changing world one must watch one's step.

The Ceylonese will survive inasmuch as they incorporate Western ideas and ideals with those of the East. Standardisation, mechanisation and mass production will have the final say. We are no chosen people; we are just a tiny red patch in the great big map of the world. Let us not forget that for an instant. Many tides will rise and fall before Ceylon becomes the hub of the universe.

Let us not forget, either, that financially Ceylon is a poor country, and that the Government must beware of extravagance, particularly in matters of salaries and pensions to public servants.

Sixty-five per cent. of the national revenue is absorbed in this direction. Thirty-five per cent. remains for all other purposes. In what other country is this ratio to be found?

Energy and time have been wasted on "trial Governments." Let there be an end to them. It only remains to "get down to it" and resolve something which will resemble a stable Government representative of and representing the people. Above all, it is imperative that we present to both our friends and our enemies *a united front*.

CHAPTER V

MISREPRESENTATION AND SUPPOSED ANTI-BRITISH FEELING IN CEYLON

It is a matter for deep regret that an active press and parliamentary campaign has been carried on in England against the grant of full responsible government to Ceylon. This campaign, so injurious in its effects to the Ceylonese people, is based as much on ignorance of the real facts as on spite and misrepresentation. Let us examine the situation !

The two main issues that are castigated are:

1. The attempt at Ceylonising the public services by the people.
2. The conflict of British and Ceylonese interests, both of which are characterised as anti-British movements.

They have been pilloried with the express object of inducing the British public to believe that Ceylon is endeavouring to act against British interests. Both charges are as false as Judas, wilful misconstruction being applied to an honest agitation for the Ceylonese to be appointed in certain capacities now occupied by Englishmen specially imported for the purpose. To any reasonable person there can be nothing anti-British about wanting to help your own folk. Official appointments, like Charity, should begin at home. What would Englishmen say and do if Whitehall offices were staffed with foreigners? There is no hostility towards the British Civil Service apart from a righteous objection to their numbers and expense, coupled with the fact that the rich experience gained by them is lost to Ceylon when they leave the island on retirement.

If there be a dearth of able young men to take over the posts occupied by Europeans, it is no reproach upon the people. Patchy education and want of opportunity have brought this about. It has never been seriously suggested that all Europeans now in Ceylon should pack their bags and leave its shores. Certain European experts will always be required to help shape the country's fortunes with their knowledge and experience.

A glance at Ceylon history will show that under the old Kings the country did better in certain directions than it has done since. That the education was different, and the ways and means archaic, may be true, but if happiness and contentment could be measured like milk a statistic would prove that for all practical purposes the Ceylonese have lost in things that matter, to gain the extremely problematic advantages bestowed by Western culture. Lacking a university in the country, little else than the present state of affairs can be looked for.

Ceylon by no means advocates the Ceylonisation of the public services at the cost of efficiency. The process would be a gradual one. In *Our Political Needs* Sir P. Aruna-chalem says:

“The experience and knowledge gained in the higher branches of the public service is carried away by every retiring European official and is absolutely lost to Ceylon to its great detriment, its administration being purely in the hands of newcomers. If the Ceylonese were largely employed in the higher posts of all departments, an accumulating wealth of precious experience would remain in the Island and bear fruit in the training of younger generations, in the counselling of the powers that be, in the guiding of public discussions and measures, in the maintenance of a continuity of policy, and generally in the advancement of good government. What would the administration of Great Britain be like, if, say, all its experienced officers over the age of fifty-five were sent away from the country and the administration was left in the hands of a perpetually shifting generation of new men? What, if those men were strangers to the country, knew the English language but slightly, knew less of English history and traditions, kept aloof from the people except during business hours, felt themselves in exile while they lived in England, and looked forward to furlough at frequent intervals and to quitting the scene of their labours for good at the earliest pensionable age?”

It would defy the most partisan critic to discover any anti-British attitude in the policy here outlined.

In regard to the alleged conflict of Ceylon with British commercial interests, a little has already been said in the paragraph dealing with Empire Free Trade. Far from trying to obstruct British trade there is a genuine desire in the island to further it. Clear proof of this is shown by the attitude of the State Council in protecting the tea industry in which so much British capital is sunk. Much of the friction that has been needlessly caused might have been avoided had the Colonial Office invited a representative from Ceylon to its deliberations at the Ottawa Conference. No nation enjoys being slighted, and the worst affront that can be offered to a sensitive people is to disregard their existence.

Ceylon is accused of failing to uphold an agreement in which she had no voice whatever. One is left wondering in what sense non-adhesion to principles of which she had no knowledge and which were laid down by others in her absence is anti-British. In face of these facts the two main charges levelled by a certain section of the British Press and Sir Henry Page-Croft are refuted.

Minor charges include the accusation that Ceylon makes no contribution to her own defence. Sir Herbert Creedy, Permanent Under-Secretary for War, personally disposed of this charge at a dinner of the Ceylon Service men in June, 1932, when in proposing the toast to "The Ceylon Forces" he said:

"It was the policy of the Army Council to look to the Colonies [*sic*] to provide their own means of defence. . . . The Ceylon Forces really saved the cost of a battalion; and they did more than that, for in their generosity they paid, he thought, three-fourths of the cost of the garrison. He had something to do with finance, and he recognised with gratitude that Ceylon, in fact, gave £8,000 this year, a very real help in these hard times." As a matter of fact Ceylon's military contribution in 1931-32 was Rs.1,200,000 and her total military expenditure Rs.2,160,091 in the same period.

It would be a waste of time and space to comment upon other charges brought forward, such as those of trying to

maroon the Governor in Colombo, squander-mania by the State Council, misrepresentation of the Income Tax Bill, and the attempt made to pass the Judgment Debtors Bill, which last was alleged to be directed against the British. These were exploded in due course by the Leader of the State Council, who has placed a copy of the proceedings in my hands, and which will be found quoted in full in Chapter VI of this book.

The campaign of propaganda against the Ceylonese was impeached by the President of the European Association in the island, who declared that "Sir Henry Page-Croft spoiled whatever case he may have had by extravagant charges," while the movement was defined by the Governor, Sir Edward Stubbs, as "ill-informed and mis-informed." Through its President, the Ceylon Association in London also repudiated the insidious campaign in Parliament. Another voice raised in defence of Ceylon was that of Sir Thomas Villiers, a highly respected leader of the British community, who, speaking at Badulla, said:

"One point has agitated the minds of Ceylonese recently and to my mind is one of the most unfortunate incidents that has happened.

"I refer, he continued, to the attack made by the Rothermere Press on the Ceylon Constitution, which is used as a whip to urge his case against the Government in dealing with India. Now, the ordinary Englishman takes very little notice of these remarks. It is all propaganda stuff for him. He reads it, may agree with a bit of it, or disagree, as the case may be, but does not take very much notice.

"But these articles that appear in the Press in Great Britain have given the impression, and have deliberately been intended to give the impression, that the Ceylonese politicians are anti-British. Now, I claim my privilege as one who knows the members of the State Council, as one who sees a great deal of their work and one who knows many of them intimately, to repeat that though on certain occasions they possibly seem anti-British there is not in Ceylon an anti-British feeling; but what there is—for this let us give them credit—is pro-Ceylonese.

"Ceylon comes first. I am merely taking this opportunity of expressing here a view that I have expressed several times before. I think the sooner the idea is removed from the minds of members of Council that we Europeans feel that they are anti-British the

better. It is felt acutely by a large number of leading Ceylonese who, I admit, are strongly nationalistic in their feelings for Ceylon, but have certainly never indicated that they are anti-British. I think that attacks of this sort, merely for the benefit of hitting at the British Government in their future dealings with India, have cast on Ceylon a distinct slur and have damaged the reputation of Europeans in Ceylon to an extent that I fancy very few of you have any idea of."

An analysis of the united arguments set forth by Sir H. Page-Croft and others makes it apparent that they regard Ceylon as little more than a convenient dumping-ground for surplus Lancashire goods. To the average Briton's sense of fair play this aspect most emphatically cannot appeal. The progress of English democracy is too much the story of a long and arduous struggle for liberty for sympathy to be withheld from the Ceylonese in their present invidious position. It requires a modern Edmund Burke properly to champion the cause of Ceylon and expose the duplicity of those who wantonly attack her and endeavour to retard her political growth.

One might reasonably suppose that without this trouble the Ceylonese had suffered sufficiently at the hands of certain misguided members of the British community during the riots of 1915. The following extract from despatches issued by H.E. Sir John Anderson sheds light upon the affliction suffered by the inhabitants during this unhappy period.

"It is fortunate for all those implicated in these proceedings that their action was entirely unknown to any responsible members of the Government and to my predecessor. If they had been brought to either his notice or to the notice of the Colonial Office, the Indemnity Order in Council would have been differently drawn, and they would probably have had to face a tribunal on a serious charge" (*vide* Sessional Paper VI of 1917).

That the Ceylonese did not turn anti-British after their harrowing experiences speaks well for their public spirit, and gives the lie direct to the present accusations of disloyalty. The zeal with which Ceylonese politicians set

about reforming the Constitution, using legitimate methods only, should be enough to prove to the world their desire to stand well with England.

FOR AND AGAINST

It would be as well at this juncture to survey the conclusions arrived at and consider some outside opinions.

That the granting of full responsible government to Ceylon is in every way a desirable consummation has been demonstrated, it is hoped, clearly enough to upset the adverse arguments put forward by any critic, always excepting, of course, those of the die-hard variety who never admit defeat.

That the Ceylonese are quite capable of planning their destinies has been admitted over and over again by competent authorities in England and elsewhere.

The dispassionate opinion of Sir Evelyn Wrench, who, in a letter to *The Times*, spoke of colonies "ripe for self-government," which must include Ceylon, embodies certain features which should appeal to all unbiassed minds. These include:

1. No racial discrimination.
2. Equal trade opportunities for all, irrespective of creed or race.
3. Adequate League supervision.
4. No recruitment for native armies.
5. Safeguards.

The desires of the Ceylonese respecting self-government have already been stated.

Under the overwhelming weight of these declarations it might be supposed that opposition would automatically break down and no other objection be thought of. Just as in any crisis it is usually the unexpected which happens, so in this case. From quarters totally unlooked for come unanticipated polemics.

Let us answer the more blatant of these. An English

journalist, discussing the question of self-government, offered the Shakespearean word of warning:

“ And makes us rather bear those ills we have
Than fly to others that we know not of.”

To this critic I would say that upon whatever unexplored seas the Ceylonese may some day venture, none can be more stormy than those over which they have sailed during the last century; and that whatever shoals or rocks lie ahead, the nation is fully prepared for, and is willing to take the risk of, encountering.

From another source comes the objection that the greatest obstacle to responsible government is the lack of public confidence, and that the people vaguely mistrust the Ceylonese politicians in the State Council.

This assertion is rather beside the truth, and shows perhaps a pardonable ignorance of the workings of the Oriental mind. While it may be true that the people mistrust “some” Ceylonese politicians owing to their poverty of useful politics, it is not to say they are bubbling over with admiration for all British politicians.

Bad politicians are mistrusted in whatever country they occur. Good ones, on the contrary, invariably earn the gratitude and esteem of those they represent. Public confidence grows in proportion to good government, and, given the opportunity to put their own folk to the test, there is not only less likelihood of distrust than at present, but every prospect of firm faith and loyalty towards their Ceylonese rulers.

ISOLATION OR CO-OPERATION ?

Had the British in Ceylon known the people of the country as they should have, there would have been no reign of terror in 1915. Had Britain taken the Ceylonese to their hearts in the same way as do the French their colonial peoples, a better understanding would have existed and deplorable incidents been avoided. Colour prejudice, which is condemned by all right-thinking people, should find no place among Britishers, official or other-

wise. This colour bar raises a barrier which at once makes for misunderstanding and non-co-operation. To a Ceylonese, the knowledge that in his own country he is precluded entrance to British clubs, even as a guest, must naturally cause bitter feeling, and predispose him to dislike the foreigners who treat him so discourteously. Those who try to perpetuate this sort of snobbery, especially in this enlightened age, are truly not Empire builders, but Empire breakers. What is the panacea for these manifold ills? There is only one remedy—self-government, which alone can put matters right. Complete political freedom will raise the people to a proper sense of their position in the scheme of Empire, enabling them to work out for themselves the plans for which nature adapted them.

As for the country of Ceylon, in a changing world its strategic importance increases, and the goodwill and co-operation of the inhabitants becomes daily more imperative. The policy of aloofness on the part of the British has not helped forward good relations.

THE SITUATION IN THE EAST

The old-time Russian challenge to Britain's supremacy has during the last two decades given place to that of Japan.

Count Okuma, post-war Premier of Japan, stated: "In the middle of the twentieth century Japan will meet Europe on the plains of Asia for the mastery of the world." To nations in arms there is no end save war! Addressing the youth of Ceylon, Dr. Tagore said:

"There was a time when Asia saved the world from *barbarism*. Then came the night, I do not know how. And when we were aroused from our stupor by the knocking at our gate, we were not prepared to receive Europe; for it came, not to give of its best, or to seek for our best, but heartlessly to exploit us for the sake of material gain. And Europe overcame Asia not through our admiration of her message of freedom and her service to humanity, *but through her overpowering greed and the racial pride that humiliates*. We did Europe injustice because we did not meet her on equal terms. The result was the relationship of the superior and the inferior; and since then we have been imagining that we are destitute. We are suffering from want of self-confidence. We are not aware of our own treasures.

“ It is your mission to prove that love for the earth, and for things of the earth, is possible without materialism, love without the vulgarity of avarice.

* * * * *

“ I am tired and old. This is perhaps my last meeting with you. With all my heart I take this occasion to entreat you not to allow yourselves to be awed by the insolence of vulgar strength, of stupendous size, nor lured by the spirit of storage by the multiplication of millions, without meaning and without end.”

If the clash of arms comes, it will be annihilation of progress and culture throughout the world. It will deliver the deathblow to civilisation as we know it, and reduce what is left of mankind to a state of barbarism. There is but one way to arrest the doom which threatens—namely, by a sincere revival of all that is best in religious thought, with a return to a simpler life and a renunciation of Mammon as the dominating influence.

A LAST WORD

Enough has been said in the foregoing pages to indicate that Ceylonese insistence on self-government is so strong that it cannot be withheld from the nation indefinitely. Something must be done about it, and done quickly. Until it becomes an accomplished fact, and the prejudice which stands in the way overcome, the island cannot attain her aspirations, quiescent throughout the past hundred years but never quenched. Neither can she play her part in the British Empire as she wants to do.

The reputation that England has gained for just dealing must become something more than a tradition. It must be deserved by practice.

Other great empires have decayed and fallen through various causes, some through acts of neglect towards their colonies. The downfall of the British Empire would be far more than an event in world history. It would be a calamity, and none appreciate the fact more than the people of Ceylon. Give them a new deal and a firm basis for contentment within the Empire and they will build upon it an edifice of which England may be justly proud.

CHAPTER VI
STATE COUNCIL OF CEYLON

*Reply to Sir Henry Page-Croft by the Hon. Sir Don Baron
Jayatilaka*

ANNOUNCEMENTS

Ceylon in Parliament.

THE HON. SIR D. B. JAYATILAKA: Sir, the honourable member for Horana gave notice the other day of the following question:—

Will the Hon. the Leader of the House make an early statement of the action he intends to take to refute the grave misstatements and unwarranted aspersions on this Council recently made in Parliament in the course of the debate on the Ceylon Constitution which are calculated to retard the political development of the country?

In view of the important matters involved in this question, I thought that it would be more satisfactory if, instead of giving a formal written reply to the honourable member, I made a statement in open Council.

The honourable member's question refers, I take it, to the debates both in the House of Commons and in the House of Lords. In the course of my remarks I propose to refer to both these debates.

It is not often that the affairs of a small country like Ceylon are discussed in the Imperial Parliament. Therefore, under ordinary circumstances one would welcome such debates, indicating as they do that the members of the Imperial Parliament are really interested in our affairs.

But when one reads the reports of these debates and wades through the speeches made on the occasion, one feels very much disappointed, for it is apparent that the reason for bringing the affairs of Ceylon before the Imperial Parliament on this occasion is not so much to secure the welfare of this Island as to prevent the political progress of this country.

In the course of those debates, Sir Henry Page-Croft in the House of Commons and those who supported him there, and the Earl of Halsbury in the House of Lords attempted to formulate a formidable indictment against this Council and asked for a Parliamentary Commission to be sent out to inquire into and report upon the working of the new Constitution.

Now, Sir, the important counts in that indictment have been effectively disposed of by the Under-Secretaries of State for the Colonies, Mr. Malcolm MacDonald and the Earl of Plymouth, and by Mr. Lunn in the House of Commons, and the Marquis of Reading in the House of Lords.

But those who supported the motions in both Houses have made so many misstatements of facts and misrepresentations of facts, reflecting most seriously not only upon this Council but even upon the people of Ceylon, that I think it necessary that some authoritative statement should be made on behalf of this Council as well as of the people of this country.

I am afraid that if I took up all those statements and tried to deal with them I should be detaining this House too long. I have therefore decided to limit myself to a few samples which, I think, will suffice to prove to any unprejudiced person that our critics have been most grossly misled into making the attack they did make upon this Council and the people of this country.

It is interesting to find out what was their source of information. Lord Halsbury's statements threw a flood of light upon that point. He said that their source of information and inspiration was a number of friends belonging to important commercial circles in Ceylon, men

who had spent all their lives in the Island and who were anxious to send out their sons to take their place.

Regarding this statement we have had more than one repudiation coming from responsible quarters. For example, the President of the Ceylon Association in London has made a public statement dissociating that body from this crusade in Parliament. Here is a part of that statement:—

What he (Mr. Shakspeare) wished in particular to allude to was Lord Halsbury's speech in the House of Lords on Wednesday last, in which he is reported to have said that the information given by Sir Henry Page-Croft in the House of Commons in the previous week came largely from a number of friends who spent their life in Ceylon and were important in the commercial life of the Island. It would be interesting to know who are these friends who were important in the commercial life of the Island. He would state categorically that the information given did not emanate from the Ceylon Association in London, whose membership not only represented the great bulk of the tea and rubber industry but also banking, shipping, and general commercial interests, on whose behalf he would affirm their resolution not to become involved in political controversy.

Then, Sir, we have the President of the European Association declaring at their last annual meeting that that Association had nothing whatsoever to do with the statements made in Parliament and they did not know who supplied the information to the Members of Parliament.

It is clear from these public statements that apart from the members of these representative and respectable bodies there are members of the European community who are unscrupulous enough to provide false information to Members of Parliament in order to put an obstacle to the progress of this country. Sir, I do not know whether we shall ever come to find out who these secret assassins are. But I do sincerely hope that they stand condemned

not only by the Ceylonese but also by the respectable members of the European community.

Sir Henry Page-Croft, in the course of his speech, asserted not only that he had received information from these various public men hailing from Ceylon but that every word he uttered he derived from official records, the proceedings of this Council, which he studied very carefully. Not only did he say so in the course of his speech, but, according to the London correspondent of an evening newspaper, I find that he has re-asserted that fact in the *London Times*. But I shall presently show that Sir Henry Page-Croft has not studied the proceedings of this Council.

I will take one or two of the characteristic statements made by him and his supporters. After giving a sort of history of Ceylon which seemed to satisfy him, that gentleman proceeded to state his charges. He said:

I think that almost the first measure brought before the Council was one which sought to deprive the Governor of all travelling allowances in the Colony. It was not presumed desirable that the King's representative should visit the centres of the Island. He was, according to their idea, to be marooned in Colombo. This outrageous proposal, if such I may term it, was only lost by one vote.

What a narrow escape ! Now, Sir, it might perhaps shock the Honourable Baronet to learn that the author of "this outrageous proposal," this nefarious attempt to maroon the Governor, was no other than the Hon. the Financial Secretary.

The first time this matter was discussed by this Council was when it considered the Budget proposals for 1931-32. On November 10, 1931, on the House going into Committee to consider the Appropriation Bill, when we came to Head 1, His Excellency the Governor, this is the record of what happened:

On the motion of the Hon. the Financial Secretary, the amount provided under this sub-head was reduced to Rs.20,000.

That shows how Sir Henry Page-Croft has studied the proceedings of this Council. Now, the reason for the reduction proposed by the Financial Secretary on that occasion and even on subsequent occasions is clear. If you refer to the Budgets of previous years you will find that in those Budgets very much larger sums than were spent in any year had been provided under this head. For example, in 1929-30, the total vote for the Governor's travelling expenses was Rs.35,000, of which amount during the year only Rs.11,262.63 was spent, leaving a balance of Rs.23,743.37. In 1930-31, the amount provided was Rs.35,000 again and the amount spent was Rs. 13,323.44, and the balance at the end of the financial year was Rs.21,676.56.

When we came to scrutinise the Budget for 1931-32 we really thought that when there was so much financial stringency, when we were unable to provide for most necessary services, it was absolutely wrong to lock up money for the travelling vote of the Governor by providing more than he could spend. But still the provision was a generous one of Rs.20,000 for that year, for the amount that was spent was only Rs.13,189.72, which left a balance of Rs.6,810. That is how, in the view of Lord Rothermere and Sir Henry Page-Croft, this Council, with the help of the Financial Secretary, marooned the Governor.

Now, Sir, one charge that was brought against this Council was that it passed a Judgment Debtors Bill. The amount of misrepresentations that has gathered round this Bill is simply enormous. That Bill, as its title indicated, was "an Ordinance to grant relief to judgment debtors in respect of forced sales of their immovable properties in an unduly unfavourable market." It has been suggested that this was not one of the first things this Council did. As a matter of fact, the first reading of this Bill was in March, 1932, nine months after the Council came into being.

Apart from that fact, this question was not considered for the first time by this Council. In the old Legislative

Council it was, I think, my honourable friend the Minister of Education who brought up a motion on this matter, and I know as a matter of fact that the old Government was making certain inquiries in regard to the hardships that owners of estates, especially coconut lands, were undergoing owing to the depression. And it was felt by a good many people of this country that some relief should be granted to persons in that position by widening the discretionary powers of the courts.

When this Bill was brought up, a good many of us supported it in principle. The second reading was carried by a majority of 20, 32 voting for it and 12 against it. But though the principle of the Bill was unobjectionable it contained certain provisions which we could not consider as by any means justifiable. Those of us who voted for the second reading of the Bill thought that at the Committee stage these objectionable provisions would be removed. But that did not happen. So, when the Bill came up for the third reading, some of us who had voted for the second reading voted against it, with the result that for the third reading there were 21 votes, and 20 against it, while 6 declined to vote. And yet the speakers in Parliament say that this House passed this measure energetically and enthusiastically. A Bill which goes through the third reading with a bare majority of one is described as passed by the Council with enthusiasm. So much for accuracy of statements.

Here I may say, Sir, that when this Bill went up, His Excellency the Governor reserved it for His Majesty's pleasure, and in due course it was disallowed. But this disallowance is described as vetoing. I need not dwell much upon that. It makes no difference really. But what I want to say is that that was the only occasion when a Bill passed by this House was ever disallowed.

Now, Sir, I referred to the statement by Sir Henry Page-Croft that he carefully studied the proceedings of this Council. He has provided an instance which can be put to the test. The House will remember that in connection with an interview I gave to a morning paper

regarding the difficulties the Income Tax Bill was then experiencing, I made a statement in the House on January 20, 1932, owing to a certain misunderstanding that had risen in regard to what I had told the pressman. Now, Sir Henry Page-Croft does me the honour of quoting what I am supposed to have said on that occasion.

This is what he said—

Sir Don Jayatilaka (that is a new version of the name; however that does not matter) replied,—“ The interview referred to was in connection with the attempts which were made to influence members of this House by corrupt means. He himself had heard that such attempts were being made; in fact some members had told him of such attempts, but he had no reason to believe that such attempts had succeeded.”

So far so good. That is a report of what I really said—so far. Then he proceeded,—

The concluding portion of his statement said, “ But I accepted and approved the statement that some members have succumbed to the temptation.”

I will just read what I did say on this occasion: I shall read the whole of it:—

Now when I made that statement I was only thinking of the attempts that had been adopted and that were condemned in the editorial, but it was pointed out yesterday, very correctly, that the editorial went on to suggest that some of the ministers and some of the members of this Council had succumbed to these temptations, and it is just possible that it might be inferred that I accepted and approved that statement. It was utterly impossible for me to have done so. I know the attitude of my colleagues on the Board of Ministers, and therefore it was utterly impossible for me to accept the statement under any circumstances that they would have changed their views in regard

to the matter. Furthermore, as I have stated just now, I have no evidence whatever to support the view that any member had acted as has been suggested.

That is what I stated. Now see what a distortion of what I really said is in that extract read out by Sir Henry Page-Croft.

I do not for a moment think that a man of his position would knowingly and wilfully distort a statement made by another, but his statement is evidence of the fact that he had not gone to the proper place—the Official Proceedings of the Council—to verify the information, the false information, the deliberately false information, supplied to him by his informants.

I think that illustration alone is sufficient to discount every statement which has been made in the House of Commons by the mover of the motion and others who supported him.

I will give you another illustration of the accuracy of his statements:—

I feel that I need give only one more instance of the treatment serious matters received in the assembly by pointing out that the first reading of the Income Tax Bill of 1932 was carried by 29 votes to 16, a very substantial majority, and that on the very next day the second reading was lost by 29 votes to 16.

It is very surprising news to all of us that in 1932 the Income Tax Bill was defeated and thrown out by 29 votes to 16. Of course, the explanation is simple. Sir Henry Page-Croft has not studied his brief. That is what has happened. Those who gave him the information referred to the throwing out of the Income Tax Bill of 1930.

Then, it is true, the second reading of the Income Tax Bill was passed by a majority, but when it came to voting upon the third reading a majority voted against it. That was in the old Legislative Council, and if Sir Henry Page-Croft inquired into the history of that matter he would have found out the very uncomfortable truth that it was

due to the influence of "Big Business" that that Bill was thrown out. "Big Business" managed it. How they did it I do not know.

THE HON. MR. SENANAYAKE: The informants !

THE HON. SIR D. B. JAYATILAKA: It is just possible that Sir Henry Page-Croft's informants themselves had a hand in the job.

I know personally the influence that "Big Business" brought to bear upon the members of the old Council. I have an instance in mind. A member of the old Legislative Council representing vast commercial interests discussed the Income Tax with me before it was introduced; he told me that it would be sheer madness to oppose it. He gave me figures which would have convinced me, if I was of the contrary opinion, that it was *the* thing for the country. But that very same member vigorously opposed the Income Tax Bill when it was introduced and voted against it most consistently right through. Why? "Big Business" ordered him to do so.

What was the result of that piece of work? Mr. Huxham, when he introduced the Bill in the old Legislative Council, estimated the income for the following year at 15 million rupees. Had we obtained that amount there would have been no financial crisis in Ceylon. We were robbed—the country was robbed—of that income and all our troubles were due to that.

When we took charge in 1931, in introducing the Budget that year, I placed before the Council the measures which we proposed to take in order to improve the financial position of the country. and one of them was the reintroduction of the Income Tax Bill. It was introduced in November, 1931, and early in 1932 the Bill was passed. It was not thrown out at all, as stated by Sir Henry Page-Croft. Both the second reading and the third reading were carried by large majorities, though even on this occasion "Big Business" did its best to defeat it. And what was the result again? It saved the situation—there is not the slightest doubt about it. Eight million rupees

came in, and that has been the means of saving the country from a good deal of financial trouble.

Now, Sir, in passing I may touch upon another thing. Sir Henry Page-Croft once more says:—

Sir William Woods, the Financial Secretary, moved on 28th February, 1932, an Ordinance to enable a temporary levy to be imposed on salaries and wages of persons employed in the Public Service—our old friend the “cuts” which were adopted in nearly every country in the world. This was negatived by the Council. I think they felt it personally.

Now, what a travesty of truth that is ! The proposal to impose a levy on salaries was proposed by the Board of Ministers, as everybody knows. That was one of their proposals submitted to His Excellency the Governor, and the Hon. the Financial Secretary introduced the measure at the request of the Board of Ministers. But when that first Bill was being discussed, certain difficulties arose with regard to the order that was going to be made under that Ordinance. The Board of Ministers took time to bring about some settlement of that difficulty. But having failed they requested the Financial Secretary to withdraw the Bill. It was never put to the vote even, and subsequently the Bill was reintroduced under Article 22.

The point is this. Sir Henry Page-Croft suggests the reason for the alleged throwing out of that Bill. He says that the Bill was thrown out by this Council, and he gives the reason. “I think,” he says, “they”—meaning the members of the Council—“felt it personally.” The suggestion is that the salaries of members would have been affected if the Bill was passed ! That is the insinuation. He does not know that the members had by that time voluntarily agreed to a 20 per cent. cut on their allowances and the ministers to a cut of $33\frac{1}{3}$ per cent. on their salaries. Now, I must say that it is a matter for very great regret that great men——

A MEMBER: Are they great ?

THE HON. SIR D. B. JAYATILAKA: —that great men, members of the Imperial Parliament, speaking of members of legislatures of other parts of the Empire, should make that sort of insinuation.

But, Sir, one of the most serious charges brought against this Council is that it has handled the finances of the country in a disgraceful way. That is what Sir Henry Page-Croft says:—

I do not think I am exaggerating when I say that the handling of the finances has been a disgrace. The last Budget introduced was brought before the Chancellor three months after the allotted time, and then it was discovered that there was a deficit of £6,500,000. Sir Don Jayatilaka then submitted proposals, including the following:—

- (1) No provision during the year for the payment of commuted pensions;
- (2) Passages and holiday warrant grants for British officers reduced and leave passage warrants allowed every five years instead of every four years.

That was an attack on the whole European standard.

I ought to say here that one of his supporters, Sir N. Stewart Sandeman, speaking on this occasion, says that before this Constitution was inaugurated the finances of the country were in a very prosperous condition, but that as soon as the Constitution began to function the finances began to deteriorate, which, he says, was due to squandermania. Now, what are the real facts?

When we started in July, 1931, and the Committees began to function, we found that we were faced with a deficit of 16 million rupees. Even that figure was increased by the Financial Secretary later to 20 million rupees. Now, our critics think that this big deficit was brought about by this Council within three months of its existence! When I read that part of the speech of that Member of Parliament I was forcibly reminded of

the story of the wolf and the lamb. The wolf was determined to devour the lamb. He said to the little creature, "You abused me six months ago." The poor little lamb said, "Sir, I was not even born then." But the wolf said, "If it was not you, it must be your father. That is the same thing." I am sure that if I said that we were not responsible for that deficit, Sir Stewart Sandeman would turn round and say, "Then your predecessor did it. It is the same thing, I am going to devour you and your Constitution."

Sir, it is quite true that in the years preceding the inauguration of the new Constitution there was a certain amount of squandermania, for which the whole responsibility rests upon the previous Government. Our critics applauded Sir Henry Page-Croft when he said in his historical résumé that when the country was governed by the Governor as he liked everything went on beautifully. But these are facts and figures which show that everything did not go on beautifully when there was undiluted autocracy in this country.

I have indicated the financial position when we took up work—there was a deficit of between 16 and 20 million rupees. What is the position today? According to the financial statement recently issued, at the end of the last financial year we had a surplus of 16 million rupees. That is the result of the "disgraceful" way we have handled the finances of the country! I am sure, Sir, that if the finances of a country can be handled so "disgracefully" there will not be many countries which will not be able to balance their Budgets.

Now, Sir, I think I have dealt at sufficient length with some of these statements—rather misstatements—that were indulged in by our critics in Parliament. But there are two other matters to which I must refer. It was stated, I think by the same gentleman, Sir Stewart Sandeman, that the State Councillors and Ministers showed a veiled insolence towards tried and trusted members of the old Civil Service. Now, Sir, if there was one statement which could be challenged without any fear of contra-

diction, it is that one. I am sure all members of this Council, including the Officers of State, will bear me out when I say that the members of the Civil Service and the members of the Public Service have always been treated with courtesy by members of this Council and especially by the Ministers.

We do not go round the country trying to collect certificates and testimonials either from Heads of Departments or from public bodies or even from Press magnates, but occasionally we get spontaneous testimonials which become useful in refuting this sort of unfounded accusations. Within the last ten days or so, the Head of a Department under my Ministry was transferred to another department, and before he left the department of which he was Head he spontaneously sent me the following letter, which shows the cordial relations that exist between the members of the Service and the Ministers and the Committees. This letter has been written by Mr. A. N. Strong, who was Excise Commissioner for over sixteen months. He says,—

DEAR SIR BARON,

On leaving the Department after sixteen months I write to thank you for the invariable courtesy you have always shown to me in all our dealings. You have doubtless had reason to disagree with my views or actions, but this has not affected our relations, and I very much appreciate the kind feelings and sympathetic hearing you have extended to me.

I must thank the Committee too for their indulgence to me personally, which I gratefully recognise.

With kind regards,

Yours sincerely,

A. N. STRONG.

Now, Sir, I am sure every one of my colleagues can say the same thing with regard to the members of the Service under their respective Ministries. In view of that sort of evidence, Sir, it is absolutely unthinkable that anyone

acquainted with the affairs of this country should make such a charge against this Council and the Ministers.

I now come to the most formidable charge that has been brought against us. The charge that is brought against us—the most serious charge—is this: we are asking for further reforms.

MR. E. W. PERERA: Hear, hear! Our unforgivable sin!

THE HON. SIR D. B. JAYATILAKA: I think much eloquence has been expended to prove how guilty we are in regard to this matter. We have actually dared to submit to the Governor and the Secretary of State a scheme for further constitutional reforms! And very vigorously we are blamed for this sort of thing.

In the course of this debate in the House of Commons, not only have our sins as a Council been trotted out over and over again, but we are also condemned on the ground that we are Orientals. Time after time reference was made disparagingly to the fact that we are Orientals. Apparently nothing good can come out of the East. It is, however, somewhat surprising that these people who worship an Oriental as their Saviour and who claim that but for the introduction of the teachings of that Oriental teacher it would not have been possible to rescue Europe, including England, from barbarism, and that those teachings placed those countries on the path of civilisation and progress—I say, Sir, it is strange that these very same people should despise the Oriental so much.

Well, we have been given plenty of advice; there have been warnings and threats held out to us; the Governor of this country has been admonished to treat us like children, to play with us, to pat us sometimes, to educate us, to teach us what is safe for us and what is not safe for us.

But in spite of these threats and warnings, I sincerely hope that this Council will not hesitate to do what it considers right and proper, and what it considers to be in the interests of the country, whatever the consequences may be.

We are told that if things do not proceed in the way our critics expect, the rights that have been granted to us might be withdrawn. In regard to that, I would only say this: if any attempt is made by whomsoever for whatever reason or on whatever pretext to withdraw from us any right which we enjoy today, it will be found that the people of this country, irrespective of community, class or creed, will stand together as one man to resist the proposal.

Sir, the motion to send out a Parliamentary Commission has, as we know, failed. For my part, as I said to a newspaper the other day, I am rather sorry that Parliament did not accept the motion to send out a Commission to this country. We have nothing whatever to fear from any inquiry by any impartial body of persons. Though the motion for the Commission has not been accepted, it has been generally suggested that His Excellency the Governor should himself constitute a Commission and report upon the working of the Constitution. I have no doubt that, in due course, he will do so, and I sincerely trust and hope that His Excellency will do this Council and this country full justice.

In the course of the debate on reforms, I drew the attention of the House to the formidable opponents who are working against us. I said that we must take steps to place our side of the case before the British Parliament and the British public as early as possible. The necessity for that is now, I am sure, apparent to all.

In spite of what has been said in the grossly unfair statements made in Parliament, I still believe that the British public is prepared to do the right thing, and if our case is put before Parliament and the public in England I have no doubt, Sir, that justice will be done to us.

APPENDICES

Aug:
20 21 .

As one interested all his life
in the East, & a visitor to &
lover of Ceylon I heartily
wish success to the new
Association of which my
good friend the Badshah
Mudalgar is ~~to be~~ the working
President, & I also wish a
long & happy career to its
new organ of the press. I. D. Rees.

APPENDIX I

SPEECH OF SIR JOHN REES, M.P., IN THE
HOUSE OF COMMONS ON THE REFORM OF
THE CEYLON CONSTITUTION

THERE was a time in Ceylon's political history when I felt that Sir J. D. Rees could render great service, but I found it rather difficult to persuade him to take an active and favourable interest concerning Ceylon affairs in Parliament and thereby lend his powerful support in granting to Ceylon a Constitution in keeping with the genius of her people.

He had even expressed himself in Parliament against the grant of a liberal Constitution for Ceylon owing to opposing influences that had been brought to bear upon him. This attitude of his forced the London correspondent of the Ceylon Press to report his conduct in these terms: "Sir John Rees poured contempt on the little group of members who have shown some interest in the affairs of Ceylon . . . he assailed them as men whose zeal for reform so far outran their discretion as to lead them to criticise that of which they have no sort of understanding."

This referred to the reformed Constitution which was then going to be granted to Ceylon.

I have never been caught up in the turmoil of political controversy, nor have I been a reviler of authority. It is the fashion nowadays to be a habitual reviler of authority if one wishes to attract the attention of the Government. Those who do not adopt such an attitude attract very little notice from Government. A good many in every country make public life merely a cloak for personal advancement. They abuse the Government in season and

out of season solely to win the applause of the giddy and thoughtless.

Although I actually did not belong to any political party in Ceylon, I have always been a moderate in politics, and even to the moderate mind this reform scheme which was forced on Ceylon at that time appeared to me as an insult to the intelligence of the country. There was no opportunity whatever given to discuss the scheme, and the scheme itself had not a few objectionable features which were unsuitable to a people like the people of Ceylon, who have been brought up on the traditions and culture of a great past and nourished on the noble and fertilising influences of representative institutions.

To my mind the greatest mistake made by the local Government was that the people were not taken into its confidence even in such a vital matter concerning them on which so greatly depended their own future. How much the local Government suffered by this mischievous secrecy in its popularity and in the adaptability of its measures was proved afterwards when the country rejected the scheme and decided on non-participation in it.

I was able to reason out with Sir John Rees and give him the proper point of view. I also sent him much literature on the subject for study, including a copy of the speech of the President of the Ceylon National Congress at the time and a copy of my lecture on ancient Ceylon. These convinced him that my views were right, and he promised to undo the harm he had already done and to amend matters at the next opportunity. He further promised me to speak to the powerful officials at the Colonial Office on the matter.

When the time came for him to speak on this subject in Parliament he made a spirited stand for Ceylon which was in marked contrast to his previous attitude on the subject.

His speech is so interesting and so important that I take the liberty of quoting it here in full from the official report on the debate in the House of Commons with regard to reforms for Ceylon.

Sir J. D. Rees said: "I do, however, submit that telegram is an effective answer to the comments of my hon. friend the Member for Hertfordshire. I have said that the present scheme is inadequate in our opinion. I do not want to weary the House by going over ground which has already been adequately covered, but I do want to stress the point, which has been made by several speakers, that, despite the promise made by the Under-Secretary of State for the Colonies some time ago, this measure gives no single touch of real popular control. It not only establishes communal representation, but it seeks to extend it. It is rather difficult to understand why communal representation, as a principle, should have been included in this Constitution at all. So far as one is able to discover, there has been no real demand for it from the people of Ceylon. We have been told again and again this afternoon that there do not exist in that country those deep racial and religious differences which unfortunately exist in India. We know, and the hon. and gallant gentleman who represents the Colonial Office knows, that, if this system of communal representation is continued and extended, it will have the effect not of uniting the people of Ceylon, but of dividing them. One is bound to believe that the object, either conscious or unconscious, of the Colonial Office in establishing or seeking to establish the principle of communal representation is simply to divide them. We want to see a united Ceylon, as we want to see a united Empire, and we submit that this proposal will certainly not secure it.

"Then, again, despite the apparent changes in the composition of the Executive Council, I submit that there is no real change. The character of the executive Council remains for all practical purposes as it was before this reform was suggested. Why should Ceylon have a smaller measure of self-government than India? We have been told that in Ceylon there is a very much higher percentage of literacy—I have already referred to the fact that there are not those racial and religious differences which aggravate the situation so far as India is concerned. If there is greater unity, if there is a higher standard of literacy—which does suggest a greater intellectual development, and perhaps a *greater sense of responsibility*—if all those conditions obtain at the present time, why should we ask the people of Ceylon to accept a smaller measure, and a very great deal smaller measure, of self-government than we have given the Indian people? We know that the Indian people are not satisfied with their reforms.

"We know that at this moment agitation is going on throughout the length and breadth of India for a much greater measure of freedom than has been afforded by the Act of last year. If those conditions of unrest obtain in India because the Government has feared to give an adequate measure of self-government, can we hope that we are going to have peace in Ceylon when we are offering them something which in many material particulars falls lamentably short even of the Indian scheme? May I further draw the attention of the House

to the fact that not only have we this higher standard of literacy, not only have we abundant evidence of this greater capability in Ceylon, but we have there a very real desire to remain within the British Empire on terms that meet the demands of national self-respect. I have been rather amazed at hearing one or two hon. members this afternoon make the suggestion that, after all, Ceylon was a country which had only become civilised—I suppose it was meant in a Western sense—during comparatively recent years. Ceylon, however, had a national independence for over 2,000 years, and a history of which any country might well be proud. I do not know whether many hon. members have read that speech which was made at the last meeting of the Ceylon National Congress by their President, a most distinguished Ceylonese gentleman, a speech which would do honour to any member of this House to be able to deliver. It is rather interesting to read the words he uses with regard to the relationship of Ceylon to our own country. He says:

“Our destinies are indissolubly bound up with England. We have the most perfect confidence that within her fold we can attain the fullest development of our national life and that the obstacles placed in our path by officials and others, who are out of harmony with the great ideals of the King and his statesmen, will be swept away when once the true facts are placed before them by a united people. Is not our very demand a proof of that confidence and a tribute of our affections?”

“The gentleman who uttered these words was speaking for all the best elements in Ceylon, and we are doing no credit to ourselves, the Government is doing no credit to itself, by acting in a tardy way with people such as these. I want to protest again against the utter inadequacy of these proposals. They are unworthy of this country. They will produce in Ceylon not harmony, but in all probability discord; for India is only a few miles away from Ceylon, and political happenings and political development there during the next few years will profoundly affect the course of events in the smaller island. I protest because I believe that as long as the Colonial Office lacks imagination, and I contend that it most certainly does, and fails to visualise this problem as it really is, and fails to confer that freedom upon these people which is their legitimate right, so long is that Office altogether incapable of doing ordinary human justice.”

This speech, from a parliamentarian like Sir J. D. Rees, an Imperialist in the true sense of the word, had a great effect on the Colonial Office and helped to turn the scales in favour of Ceylon. I was very glad that I was able to perform this service to my country during a trying period of its political history.

OPINIONS ON THE PAPER BY SOME OF THE
CULTURAL LEADERS OF CEYLON

THE VERY REVD. FATHER LE GOC, O.M.I., M.A., B.Sc., PHD.,
CHAVALIER LEGION D'HONNEUR, CROIX D'OFFICER DE L'INSTRUC-
TION PUBLIQUE, RECTOR OF ST. JOSEPH'S COLLEGE

"There are grand ideas in your ideal. . . . In every point of view
your lecture is very interesting."

THE HONOURABLE SIR P. RAMANATHAN, KT., K.C., C.M.G., SENIOR
MEMBER OF THE LEGISLATIVE COUNCIL OF CEYLON

"Your paper on the Ceylon University is interesting and ably
written. If you can spare some more copies I should like to distribute
them among the teachers of my Colleges."

SIR D. B. JAYATILAKA, KT., M.A., BARRISTER-AT-LAW,
PRESIDENT OF THE CEYLON NATIONAL CONGRESS

"I read it with much interest. . . . I am entirely at one with you
that the proposed Ceylon University should make Oriental Studies
its special feature. It is in this department that it can make a special
contribution to the thought of the world."

THE HONOURABLE SIR ANTON BERTRAM, KT., K.C., CHIEF
JUSTICE OF CEYLON

"I have read it with very great interest. Its sentiments are un-
exceptionable. . . . The studies pursued at such an institution
(i.e., The Ceylon University) ought certainly to include Oriental
Literature and History."

APPENDIX II

THE CEYLON UNIVERSITY : AN IDEAL

THE CLAIM OF ORIENTAL STUDIES

THE following is the text of the paper read by the President of the Ceylon Chiefs Association, the Padikara Mudaliyar of Ceylon, at a meeting of the Association held on November 10, 1923.

There has been a great outcry in this country, and very rightly, too, against the delay in the founding of a University for Ceylon, which boasts itself as being the premier Crown Colony of the British Empire. Although Government has given various excuses from time to time for deferring it, it is clear that it will not be able to maintain that untenable position for any length of time in the face of public opinion that is gathering both here and outside the island, which is bound to overwhelm it sooner than later. The time has therefore come, especially for public bodies who are interested in the cause of the country, to consider what kind of a university is best suited to this country and bring matters to a head finally.

The question is a most momentous one and has to be treated with great care. It is also a most important one, as on it depends very largely the future advancement of this country. It has been my privilege in my many travels in various parts of the world to come to know such intellectual centres and study them. I feel, therefore, I can speak with some little knowledge on the subject, now that I have been requested to put forward the views of this association on this important matter. It is from the universities that we hope to get our pioneers of higher

intellectual thought and reason ; a university should therefore be a training ground for the nation's most distinguished sons. It is also a common ground for all, as on it birth and wealth confer no privileges and each person has to equip himself as best he can in the race towards the goal of intellectual progress and advancement.

OBJECTS OF A UNIVERSITY

A university, wrote Dr. Newman, is a place where inquiry is pushed forward and discoveries verified and perfected and rashness rendered innocuous and error exposed by the collision of mind with mind, and knowledge with knowledge. It is a place which wins the admiration of the young by its celebrity, kindles the affections of the middle-aged by its beauty and rivals the fidelity of the old by its associations. The objects of a university are threefold : (1) to advance the cause of sound learning ; (2) to support and promote morality ; (3) to advance social order and human welfare. To carry forward these ideals into every part of the country it is necessary to turn out men perfect in intellectual, physical and moral efficiency ; for this reason universities should always be maintained at the highest possible level of efficiency.

ORIGIN OF UNIVERSITIES

It would not be uninteresting at this stage to consider the origin of universities in the West. This may be traced to about 800 years back. In those days men like Peter Abelard, the theologian and scholastic philosopher, rose up with various doctrines and teachings which people wished to learn, and students gathered round them from all parts of the world. There being no printing during those days, people had actually to hear these great masters speak to learn their teachings. In this way great and renowned scholars who had anything worth teaching were gathered together under the patronage of the Popes, pious kings and other such dignitaries, who were nobly anxious that people should imbibe those teachings and

doctrines—these became universities. The university idea had not been new to the East, it started much earlier than in the West, but the ideal of the East differs much from the ideal of the West.

THE IDEALS OF THE EAST AND WEST

Knowledge in the East was held so sacred that it could not be sold, but the West has commercialised the idea of education, so much so that there is a mistaken notion prevailing among the present-day people that a system of education becomes valuable only in proportion to its pecuniary results, which is a negation of the real value of education. "The true value of education," says Mr. Justice Wilson, "consists not in worldly profit it may enable you to make, but in this: that it awakens the love of truth as a motive of action; that it stimulates and gratifies the desire for knowledge; that it calls into activity the dormant powers of the mind, trains and strengthens them by exercise; teaches you to know the relative strength and value of your several faculties and to subordinate all to the control of your judgment; that it accustoms you to observe and to reason, and so to know good from evil, the true from the false, and thus leaves you a stronger, wiser and better man than it found you."

Then, again, the ideal of the East pictures to you learned poverty and humility, but the Western ideal leans more towards the pride of knowledge, so much so that those who have imbibed Western education today try to look down on their less fortunate brethren as unfit for their comradeship. It is a pity that present-day conditions of life should darken the splendour of that Eastern ideal of learned poverty, before which even rulers of men have rolled in the dust, in reverence. Again, the Western ideal introduces the spirit of competition, the Eastern is that of co-operation which makes one with the life of the people. Rabindranath Tagore, the great sage poet of India, puts it beautifully in the following passage: "Our ancient Topovanas, or forest schools, which were

our natural universities, were not shut out from the daily life of the people. Masters and students gathered fruit and fuel and took their cattle out to graze, supporting themselves by the work of their own hands. Spiritual education was a part of the spiritual life itself, which comprehended all life. Our centre of culture should not only be the centre of intellectual life of India, but the centre of economic life also. It must co-operate with the villages round it, cultivate lands, breed cattle, spin clothes, press oil from oil seeds ; it must produce all the necessities, devising the best means, using the best materials and calling Science to its aid. Its very existence should depend upon the success of its industrial activities carried out on the co-operative principle, which will unite the teachers and students and villagers of the neighbourhood in a living and active bond of necessity. This will give us also a practical industrial training whose motive force is not the greed of profit. Along with this there should be some common sharing of life with the tillers of the soil and the humble workers in the neighbouring villages; studying their crafts, inviting them to feasts, joining them in works of co-operation for communal welfare ; and in our intercourse we should be guided not by moral maxims or the condescension of social superiority, but by mutual sympathy of life for life, and by the sheer necessity of love's sacrifice for its own sake. In such an atmosphere students would learn to understand that humanity is a divine harp of many strings, waiting for its one grand music, to the great meeting of man in the future, for which the call comes to us across the darkness. Life, in such a centre, would be simple and clean. We should never believe that simplicity of life might make us unsuited to the requirements of the society of our time. It is the simplicity of the tuning-fork which is needed all the more because of the intricacy of strings in the instruments. In the morning of our career nature needs the pure and the perfect note of a spiritual ideal in order to fit us for the complications of our later years."

Ceylon also had its great intellectual centres in times gone by. Sir Ponnambalam Arunachalam, in his sketches of Ceylon history, speaking of King Prakrama Bahu VI, says, "He was the Mæcenas of his age and was himself a scholar and an author. He established and endowed two great educational institutions; one at Totagamuwa and the other at Keragala, the former presided over by Ceylon's greatest poet, Sri Rahula Sthavira, commonly called Totagamuwa. The former institution was called Wijaya Bahu Pirivana, which was established at Totagamuwa Vihare, which stands between the fifty-seventh and the fifty-eighth mile-posts on the road from Colombo to Galle. It was a university catholic in its aims and provided instructions for Buddhist and Hindu, clerical and laymen, in all the knowledge of the time. There were classes and lectures in (1) the Buddhist canon in all its branches for Buddhist monks, (2) Sinhalese, Pali, Sanskrit, and Tamil languages and literatures, (3) the four Vedas and connected literature for Brahmin students, (4) Astrology, (5) Medicine, (6) Prosody, (7) Dramaturgy, (8) Poetry, Sanskrit, Pali, Sinhalese and Tamil."

The curse of intellectual barrenness, therefore, cannot be upon us, but like everything else, this land, too, following the law of evolution, had experienced a period of drought—a period of academic decay—for where progress ends decline begins. But we have now reached a most anxious time in our history—the transitional period—and we look to England, that august mother of free nations, to raise us once more to greatness and renown among the peoples of the earth, make us capable of leading even other nations of the East in the various branches of human activity and competent to hold our own in the great fields of human achievement. That would be the grandest of all visions and the noblest of all triumphs, one nation extending the hand of fellowship to another and raising it in the scale of civilisation.

TYPE OF UNIVERSITY NECESSARY

We should create for our people a place that would form the focus of intellectual life, a moral and intellectual capital, a city that would be the home of spotless ideals and lofty ideas, a centre from which light shall be shed throughout the East; a university, where our respective cultures could be preserved; where our youths, while gaining knowledge in modern sciences, will not lose their individuality as a people; where more attention would be paid to the forming of character than the mere passing of examinations; where the teaching of the history and literature of the East would not be scamped over for a parrot-like knowledge of mere Western thought. In short, we want a university that would preserve and foster all that is best in our ideas of life and thought, all that is noblest in religion, our culture, tradition and civilisation, and grafted upon that tree, "strong and healthy in its own natural soil," all that is best in Western science, all that is great and good in Western industry and art. It is only such a university that can restore the faded glories of our past.

STUDY OF ANCIENT LITERATURE

Some think it mere waste of time to go through a course of classical studies, but can we really afford to cut ourselves off from so many centuries of the world's experience and knowledge? These dead languages have clothed with life the shadows of the past, they present to us with all the charms of literary grace the history and traditions of a bygone civilisation. Let us learn to venerate the past and be proud of the relics of ancient civilisation; we must admire their philosophy for its penetrative insight, love their literature for its sweetness and wealth of deep moral and religious sentiment. Some may even think that we are living in a more progressive age, and such knowledge of ancient literature could not be of much avail, but all

depends on what view we take of progress. It is true we have progressed in discoveries, natural sciences in machine making and money making, but money and machines alone never made a nation happy and never will. Have Demosthenes and Cicero, Michael Angelo, Raphael and Rembrandt, Rossini and Mozart, Shakespeare and Milton been equalled in their various walks of life by the modern West today? In the East today have Valmiki and Kalidasa, Kapila and Sankara, Panini and Patanjali been equalled in their respective spheres by their countrymen? And if the answer is no, which is emphatically so, less said of modern progress the better—so the study of those great masters is of much use to us today.

ADVANTAGES OF THE STUDY OF ANCIENT LANGUAGES

Knowledge of these languages makes the mind instinct with noble feeling. Reading the thoughts of these great men who have inspired generations and ages before us, who by words and deeds became benefactors of their country and ornaments of the human race, invests us with a keener intelligence and a manlier faith. By encouraging the revision of the labours of the great masters of the past, who have left their impress for good on the destinies of mankind, we help to rescue them from oblivion and hand down to those who come after us some small fragments it may be, but of an immortal strain. By studying them we can appropriate whatever is suited to modern requirements, and this will enable us to deal efficiently with the great problems of social life that confront us. Humanity, in all ages, has been excited by the same passions and moved to action by the same interests. So having these precedents before our eyes we cannot be deceived as to the effects of such and such actions.

STUDY OF GREEK AND LATIN

Of the dead languages of the West, Greek and Latin should engage our attention and study at our university. The mention of Greek and Latin must send the mind back

to the classic studies of our youth. Greek literature pictures a wonderful state of civilisation, which in its various interesting phases the world can never behold again, and there is no succeeding state of civilisation that has not borrowed something from it. The genius of Greek letters is social and humane. Demosthenes connects the material interests of life with sentiments that elevate the soul; Æschylus represents the deification of freedom and the dawn of philosophy through the darkness of fable. In the tragedies of Sophocles there is a direct recognition of the eternal justice of Heaven and the undoubted punishment of crime committed against the laws of God. The great mind of Aristotle has collected together all that was most valuable in human knowledge. Grand is the domain won over human thought by Socrates and Plato. With the downfall of Athens the ideal of sensuous life faded away.

Although Latin literature is a borrowed literature, it has such polish, refinement and dignity about it that it assumes an originality of its own. The high-sounding lines of Vergil, the expanding periods of Cicero, the dignity of Sallust, the simplicity of Homer, Horace, Cæsar, make a wonderful appeal to the human mind; while Greek writers warm and elevate our feelings as ordinary men, Latin writers temper emotions to the stately reserve of the aristocrat; but both literatures are fired with the zeal of love of country, both are stimulated with the desire for honour and fame.

THE CLAIM OF ORIENTAL STUDIES

It is in the department of Oriental studies that we can excel above all other universities, if it is made a centre for the diffusion of such knowledge. It is bound to be looked up to as standing above all other universities in this respect, considering the reputation that Ceylon has had for Oriental studies from the dim ages of the past, and if this course is well directed it will be a means of attracting scholars from various parts of the world. This

is an aim that should be kept steadily in view. Of the ancient languages of the East, Sanskrit is the most important and is also perhaps the oldest language in the world, and it is in that language that most of our ancient writings have been done. According to Sir William Jones, a great European savant, Sanskrit is said to possess a wonderful structure, more perfect than Greek, more copious than Latin, and more exquisitely refined than either. The Sanskrit philosophies of the East have inspired even Grecian philosophers like Plato, Socrates, Pythagoras, Plotinus, who have admitted that they owed their inspiration to the Indian Sages. Sir William Jones again states: "We are told by Grecian writers that the Indians were the wisest of nations, and in moral wisdom they were certainly eminent." If the Ceylon University attracts European scholars by means of its department of Oriental studies—there is no doubt it will—that will be a means of making the West meet the East and contribute to bringing about a deeper reconciliation between the East and the West. This would diffuse among the European people a correct knowledge of the East through their compatriots themselves, judged by our literature and their associations with the East. It will most certainly help to dispel from the minds of many Europeans the false ideas generally prevailing about the East, and correct the nightmare of savage men and manners so often associated with the Orient. Such knowledge is bound to inspire greater respect for the East, which will promote a better understanding, and that will mean the end of strife and faction between two great branches of the same human family and binding them both in the golden chain of an indissoluble union. That is a vision that must appeal to both lovers of the East as well as the West. Further, what a great pleasure it would be to learn and understand these Oriental languages, such as Sanskrit, Elu, Pali, Tamil, Sinhalese, Arabic, etc., to be able to read them in the original without being "strained through an antiquarian interpreter." It is sad to reflect that a great deal of the research work that has been done in this respect has been done outside

the East—in European countries, all praise to them for it. I do not wish to say anything further on the claim of Oriental studies, as Mudaliyar A. Mendis Gunasekera, who has made Oriental studies his life-long study, and whose rare scholastic attainments in that branch have been of such value to this Colony, will deal with the subject in a separate paper, which should commend itself to the attention and study of the people as well as the Government.

STUDY OF RELIGION

Our university should impart religious teaching also, otherwise it must defeat its object, become a menace to society and surround us year after year with clever scoundrels. It would be a vain attempt on the part of professors, however distinguished they may be, to try to build character on shifting sands, without the foundation of religious teaching and the steadying influence of religious atmosphere. Lord Hardinge, when on this subject, made this great pronouncement publicly as Viceroy of India. His Excellency said: "My own personal conviction, strengthened by what I have seen in other lands, is that education without religion is but of little worth." In these days of religious toleration there is no danger of such religious centres becoming merely "gloomy fortresses of sectarianism." A deep faith in and reverence for one's own religion should foster a spirit of respect for the religious convictions of others. It was Carlyle who said: "I believe you will find in all histories that that (*i.e.*, religious faith) has been at the head and foundation of them all, and that no nation that did not contemplate this wonderful universe with an awe-stricken and reverential feeling that there was a great unknown, omnipotent, all-wise and all-virtuous being, superintending all men in it, and all interests in it—no nation ever came to very much, nor did any man either, who forgot that. If a man did forget that, he forgot the most important part of his mission in this world."

STUDY OF OUR HISTORY

Our university should provide facility for the study of our history. The study of the history of one's own country furnishes an incentive to the loftiest patriotism. It helps to preserve our individuality as a people and foster the growth of our healthy national traits and ideals and that self-respect and independence of character which can be born only of a true knowledge of our great past, which is so essential to the formation of a healthy manhood, without which education from a truly national point of view could not be of much avail. Ours is a proud history in which noble and chivalrous characters abound, and direct contact and communion with them could not help but give our youths early in life that sense of the necessity of self-sacrifice, of truthfulness and the proper discharge of their duties, in whatever situation they may be placed, as befitting the descendants of those great national heroes. Such a state of affairs cannot be brought about by teaching our youths only the history of other countries, for local affections must animate and inspire their breasts.

THE EVILS OF THE PRESENT SYSTEM OF EDUCATION

A charge has been brought, and, I may say, with a certain degree of truth, that under the present system of education, although there is much industry among us, there is little thought, and we are merely the hands that execute, not the heads that originate. We have great power of acquisition but small power of production, deficient in business faculties and almost barren in organising power. There is no doubt that the vicious examination system, under which there is little scope allowed for the free play of the intellect, where a student is crammed to choking, is to some extent responsible for this sad result, and therefore a change in this system for the better is most desirable.

DUTIES OF THOSE WHO ARE EDUCATED

Perhaps it may not be out of place to consider the duties of the educated towards their less fortunate countrymen, the masses. People must possess in a collective capacity, at least to some extent, intellectual and moral virtue to be fit for responsible government, in the real sense of the word, and thus elevate the nation. A nation that does not take account of its masses and ameliorate their condition is doomed to decay and destruction. Each educated man must regard himself directly or indirectly as a teacher of his less fortunate brother. A badge of common service should be recognised in the cause of the country. Those have been educated and enlightened in order that through them millions may be blessed and inspired. The purpose in giving a good education to a few is to uplift, influence and benefit through their instrumentality those whom higher education cannot reach. Therefore let the spread of knowledge among our ignorant fellow-men be an object of constant solicitude. Let them carry forward the lamp of knowledge into the caves of ignorance and superstition. If we live and labour only for ourselves we will run counter to the plan on which the whole world is so wisely ruled. The value of education does not consist in either official position or professional eminence one may attain, nor in the future or name one may make for himself, but in the extent to which one disseminates the principles and influences awakened in him by culture. Let us remember that service and subordination are the living forces in the Universe, selfishness and isolation its death. It is sad to reflect that, except those who have adopted teaching as a profession and the ministry, the others have done very little towards the spread of education and enlightenment. This is largely due to a misconception of the real aim of life and there being no prospect of an immediate reward. To do this kind of work the self in man must be annihilated and the worker is not to look for his reward here.

“The wages of every noble work do yet lie in Heaven,” wrote the poet.

“All true work,” wrote Carlyle, “is sacred. In all true work, were it but hand labour, there is something of divineness, labour wide as the earth has its summit in Heaven.”

Such noble work as this may not bring worldly happiness as conceived by some, but what is this whim of happiness? When such noble work will merit for us blessedness and blessedness is ever so much greater than happiness. The educated have their duties not only towards their fellow-beings, but towards the Government that protects them as well, and also towards themselves. Let them look back upon the past and compare it with the present, and they find that it is to British Rule that we owe this era of peace, of progress, of freedom and material prosperity which has come in its train. The educated must help to conserve and preserve the forces of stability and order; they must help to keep firm the foundations of law and authority on which all constitutional government must rest and make it clear to others that we are moving towards a great destiny, and it is only within the fold of the great British Nation we can attain it, and by helping it on on proper lines we hasten the realisation of our own destiny. Such then are the duties of the educated towards the Government under which we are privileged to live. They have duties towards themselves too. They should remember that there is nothing in this life which is beyond the reach of cultivated intelligence, well-directed industry and honest devotion to duty, and when one leaves the portals of his university he should not consider that his education is over; on the contrary, it has only begun, and unless he keeps up the power of sustained flight he has acquired in the rarefied atmosphere by intellectual exertion and manly activity, he cannot maintain himself in those higher regions of thought.

EDUCATION OF GIRLS

Our university should give to girls the same facility for study as in the case of boys; better education of women for the better education of men is the royal road to success; in this way one's domestic life and social surroundings can be made to harmonise better. Women will then become real companions in intellectual life, the pleasure and ornament of an enlightened home. As it is now, an educated young man has often to depend, so far as his wife is concerned, on material instinct, which is a poor substitute for intelligent judgment.

HINTS TO UNIVERSITY STUDENTS

Perhaps a few hints that our university students should keep in mind would not be out of place here. They should aim at accuracy of thought and expression. Let them take to heart the words of England's greatest genius:

“Love thyself last: cherish those hearts that hate thee,
Corruption wins not more than honesty:
Still in thy right hand carry gentle peace,
To silence envious tongues; be just and fear not:
Let all the ends thou aim'st be thy country's,
Thy God's and truth's.”

Let not arrogant self-satisfaction stand in the way of true national service; duties fulfilled in the world become honours after death. Remember the maxim, “*Mens sana in corpore sano*,” and aim at perfection in both mind and body. A good many of our diseases are due to the neglect of the body and to overwork of the brain. Keep your limbs warm by exercise, and heads cool by temperance.

RESULTS OF THE IMPLANTING OF SUCH IDEALS

Students trained on such ideals as these by our university will produce men on the fields of commerce, law, engineering, medicine, agriculture, etc., who will be a credit to

their university and an honour to their country, so aptly described by Milton as men who "shall be inflamed with the study of learning and the admiration of virtue stirred up with high hopes of living to be brave men and worthy patriots dear to God and famous to all ages."

Then Ceylon, this land that we all love so dearly, will become a land, in the words of Rabindranath Tagore:

"Where the mind is without fear and the head is held high;
Where knowledge is free:
Where the world has not been broken up into fragments by narrow
domestic walls;
Where words come from the depth of truth;
Where tireless striving stretches its arms towards perfection;
Where the clear stream of reason has not lost its way into the dreary
sand of dead habit;
Where the mind is led forward by Thee into ever widening thought
and action,
Into that haven of freedom, my Father, let this country awake."

APPENDIX III

A MESSAGE TO THE YOUTH OF CEYLON

BY THE PADIKARA MUDALIYAR OF CEYLON

IT gives me great pleasure, in response to the request made by the Editor of *Young Ceylon*, to transmit through that valuable journal a message to the youth of Ceylon.

Apart from my connection while abroad with the Ceylon Students Association of Great Britain and Ireland as its patron, I saw the beginning, the progress and the final triumph of two of the greatest movements in Europe within recent times conducted by young men. I refer to the Fascist movement in Italy and the Hitler movement in Germany.

Having had many good friends in both movements, I came in contact with these organisations day after day during those anxious years of their existence. I have gained thereby a certain amount of knowledge and experience in youth movements which must always stand me in good stead during the course of my life. Here, in these two great movements, we have the example of two mighty nations—the Italians and Germans—when sunk to the lowest depth of their national existence, being successfully revived by the youth of their country and raised once more to the front rank among the nations of the world.

We have in the East too, today, the shattered remnants of a once mighty confederacy—the oldest empires in the world—that gave to it its soundest code of ethics, its most graceful poetry and its finest handicraft.

In the East were also reared cities that were the centres

of undying beauty and of so many glories in the history of the world and genius of mankind.

There is abundant proof that Ceylon, too, had been in the noonday of her splendour centuries ago. Time was when Ceylon was ruled by a long line of great and wise Kings and their ambassadors were received with great honour and favour at the Courts of even the mighty Cæsars of Rome. Although the sceptre has now passed away from her grasp, if only the youth of this country will rekindle the torch of loyal patriotic service and revivify her, she may yet rise to fame and greatness among the nations of the world and be crowned once more with that grandeur that was hers twenty centuries ago.

Ceylon must be false to herself, to her ancient culture, to the new light that has been poured into her by Western education, if she does not feel stirred by the example of nations struggling for consideration and self-determination, the very ideals for which the Great War was fought. Without venturing upon the impertinence of advice I would wish to say how this great task which lies before you could be proceeded with.

First and foremost it is the duty of the youth of Ceylon to improve and fit themselves to maintain the struggle to reach our former greatness, or they shall be betraying a sacred trust and be false to posterity.

Remember, you are the heirs to a great heritage. You come of a land that has bred brave men. You come of a land where civilisation found its home. Whether Ceylon is to regain that place she held in the distant past is left to you and to sons of Ceylon like you.

We have seen within our generation how many of our bright lights have gone out; great men have been snatched away from us before the full harvest of their lives and labours have been gathered in. Other men who have distinguished themselves in various walks of life have similarly gone the way of all mortal things. They have left their places vacant in our roll-call.

How many of our distinguished men today have now passed the meridian of life and must soon retire from

public activities. It is, therefore, the imperative duty of the youth of Ceylon to qualify themselves by intellectual exertion and manly activity to fill those places worthily and help to regenerate their motherland.

The regeneration of Ceylon can be brought about principally by selflessness and determination.

In one of Signor Mussolini's speeches before he assumed power he said to his followers: "I do not promise you fat jobs, salaries, gratuities or pensions—no, none of these will I promise you. But one thing I will promise you—that is pain and suffering! There is nothing greater in the world than pain and suffering in the cause of your fatherland—the world moves by pain."

Here are the words of a great Leader who is trusted above envy, beloved above rivalry—a man, too, who has the gift of striking expression both in the spoken and written word; a man known throughout the world for his genius—a superman.

Hearken to his words and ask yourselves then the question whether you will do your best to make yourselves valuable members of society. Will you be industrious, selfless, true to your ideals, active and persevering? Or will you be worthless to yourselves and valueless to your community? In short, are you willing to reform yourselves for your country's good?

Reform, to be successful, must come from within the heart. What is required is not a change of dress—national or otherwise—but a change of heart, a change of spirit. In this hypocritical age we have would-be reformers who practise so many petty deceptions for purposes of popularity, who do in private what they condemn in public, that it has become a difficult matter to distinguish their real from their artificial character. Those who seek merely popularity must sooner or later come to grief. Popular favour is proverbially fickle. There is no reward like the reward of conscience—the consciousness of duty performed, the consciousness of loyal service rendered.

There are many steps that one has to take before one

becomes a reformed person, and one of the first steps is to rid life of its sophistication and be perfectly natural in everything and not be artificial or insincere in one's outward or inward expression.

Our youth must also have an ambition in life. Ambition is a good spur. To be without ambition is to be mentally dead, which cannot be for the good or improvement of society. Ambition is the desire for something finer and better in life. It means that you are always trying your best and that you are not slothful, that you find time for self-improvement and that you know no discouragement.

But when a person is doing well in life it is a very common thing to be envious or jealous. This does not make for the improvement of the nation. Envy is the mud that failure throws at success and jealousy is the homage that inferiority pays to merit. Be rid of the horrid vice of thinking of petty personal things amid the tide of great public issues. Remember that when man ceases to improve himself society is in danger.

Further, we are educated to elevate our class and not to be elevated out of it. For this reason every educated youth should also regard himself as a teacher, directly or indirectly, of his less fortunate brethren. Masses of our people are yet grovelling in the depths of ignorance, and our youthful patriots must not rest until elementary knowledge becomes the birthright of the poorest in the land.

Pursue knowledge continually for the sake of knowledge, and not for the gain it gets. Remember also that talents and opportunities are given for the advancement of the honour and the glory of the motherland.

It is essential, too, to cultivate a feeling of brotherhood and take pride in each other's success in life. This will put down feelings of jealousy, rivalry and hatred which can hinder much good work. Appreciate worth and merit wherever it is to be found.

The late Mr. Gokhale, one of the greatest sons of India and one who has made a substantial and noble contribu-

tion both to the political thought and literature of our own time, once said on a memorable occasion:—

“National life to be complete must be many-sided. A man who brings honour to the Indian name, no matter on what field, advances thereby the national cause and deserves to be honoured by us on national grounds.”

Do not be too anxious to blossom into leaders at once and pose as reformers. To lead one must first know how to serve. No man has any right either to call himself a reformer, whether social or political, if he has not and is not prepared to sacrifice something in proof of his convictions. The first test of a truly great man and leader of men is his humility, but it is an irony of fate that troublesome vanity is not absent from the most selected of Cabinets.

One should guard one's reputation above all things from the commencement of one's career so that the finger of scorn may not be pointed at him.

“The purest treasure mortal times afford
Is spotless reputation.”

Remember that it is in the nature of youth to be impetuous. Vaulting ambition overleaps itself. Steer clear of these shoals. Let not enthusiasm in your cause outrun discretion. What is of paramount importance in a great movement is the concentration of intelligent and responsible public opinion on its side. Further, the movement should always be kept within the bounds of reason, well-balanced and well-directed. Otherwise, it will be like a voice crying in the wilderness. Be bold, be bold, I say to you, but be not too bold, for rashness is not courage.

Let us hope that the youth movement in Ceylon will go on successfully, infusing national life, strengthening the bonds of common citizenship and kindling the fires of loyal and patriotic service.

Gather the fruits as they come. Do not be despondent or impatient if customs which have stood for centuries do

not at once fall of a heap at one blast of your trumpet. Be patient and persevering. How poor are they who have no patience.

Preserve also your noble and gentle manners. A decay of manners is a sign of national deterioration. It is up to the youth of Ceylon to purify public life and even to spiritualize it. Put into places of power and responsibility men whom you can trust—men who will not make their office merely a cloak for personal advancement or abuse of authority.

It is by following such rules as these that the youth movements abroad were crowned with success.

In the above-mentioned movements in Italy and Germany I noticed that there were four distinct stages before success came to them in the end. The leaders as well as their followers had the great gifts, too, of fortitude in suffering and patience in adversity. There is no education like adversity. Let me tell you now the differing stages through which these movements passed to their final triumph. The first stage was that of ridicule. But chaff and ridicule could not kill a movement in which there were the germs of a vigorous growth.

The second stage was that of persecution. The persecution was particularly severe in Germany, and many brave youths lost even their lives during that period. It was a great revelation to me how those bold German youths went through it all. There was a time when it was unsafe for them even to be seen out in the public streets, for fear of being shot down by their opponents, but it was their determination and selflessness that carried them through. Millions of them did important propaganda work for their party at great self-sacrifice and almost starving, for so poor were they who had no employment, while those who had legitimate jobs joined in such work after their own business was over for the day. They worked until late at night, voluntarily and cheerfully, sustained by the hope that they were thereby advancing the cause of their fatherland. They received no pay for all this tremendous work.

Then came the third stage—partial success.

Finally, they reached the fourth stage, triumph of their cause amid almost insurmountable difficulties. It was the youth of the country that made all this possible.

Another thing I noticed was that men in the midst of all these activities and exacting duties did not fail to keep their bodies healthy by manly and vigorous exercise—thus showing how important sport is to any youth movement to keep its members fit in health. An enfeebled body depresses the mind and casts a shade over the soul. This is bound to hinder a youth from putting forward his maximum efforts for the success of the cause to which he is devoted.

The work accomplished by the youth of Italy and Germany in the cause of regeneration of their fatherland after the Great War must stand as an inspiration to the youth of other lands. If the youth of this country, too, work with such self-sacrifice and devotion, there can be no question of the ultimate success of their legitimate aims and aspirations.

Let this be the prayer of the youth of Ceylon, that knowledge may, in its beauty and fullness, consume all that is base, false and imperfect, to purify the heart and soul, that they may ever seek expansion instead of contraction, friendly co-operation with other nations instead of isolation, love towards all instead of hatred, and to bring about that unity of life and deeper reconciliation of the East and West so essential to the progress of this country and the world at large. In this way alone can the current of sympathy grow in depth, volume and intensity; in this way alone can you, patriots of Ceylon, hasten the realisation of your country's destiny. Do everything that is essential to win the sympathy and confidence of nations abroad.

One word more before I conclude. In whatever you do or say make a firm resolution to be true to your motherland. Be true to that land wherein lies enshrined the ashes of Lanka's long line of illustrious Kings, whose mighty words and whose mighty deeds are to this day

the admiration of the civilised world. Be true to that land wherein lies buried the remains of your revered, your venerable and venerated Sires. Be true to that land wherein you are going to rest your own bones, the bones of your children, your children's children unto remote generations. Be true to your motherland.

“Breathes there the man, with soul so dead,
Who never to himself hath said,
This is my own, my native land !”

NOTE.—The above message appeared in the *Young Ceylon* of May, 1934. Its purpose was not to discuss the merits or demerits of Fascism and Nazism as such, but the example of determination, courage and devotion to the cause shown by the youth of Italy and Germany.

The present writer, who spent a considerable period in the above-mentioned countries during those stormy days, was greatly impressed by the work of the youth of both countries which contributed so much to its success.

APPENDIX IV

“STATE-AIDED NATIONAL BANK FREE FROM POLITICAL INTERFERENCE”

BANKING COMMISSION'S REPORT OUT

PROPOSED NEW BANK TO COMPETE WITH THE OLD
CASE FOR STATE BANK DISMISSED.

“THE present appears to be the most opportune time to bring into being a national bank,” states the Banking Commission in its report.

The Commission consisted of Sir Sorabji Pochkhanawala (Chairman), Sir Marcus Fernando and Dr. S. C. Paul. The Secretaries were Messrs. B. B. Das Gupta and N. U. Jayawardena.

GOVERNMENT'S PART IN CREDIT SYSTEM

The report, which runs into 285 pages, concludes with a summary of the conclusions and recommendations.

The summary, however, at best focuses attention on some of the important points dealt with in the inquiry, so that those interested in any particular problems may, if they so like, first devote their attention to those questions.

HISTORY OF INQUIRY.

The report opens with the warrant of appointment and the history of events which led up to it. Mr. George E. de Silva's resolution is the immediate occasion for the coming into existence of the Commission.

The terms of reference require the Commission to inquire into and report upon the existing conditions of

banking and credit in Ceylon, and to consider the steps, if any, that are feasible and desirable in respect of the provision of banking and credit facilities for (a) agriculture, (b) industry, (c) trade, and also to make recommendations regarding the desirability of establishing a State-aided Bank and sound local banks.

In all 38,000 copies of the Questionnaire in English and vernaculars were distributed. The Commission toured throughout the island to take evidence.

SALIENT FEATURES OF CEYLON.

The report then proceeds to give a brief outline of the main features of the island.

The increasing population of Ceylon, the high density of population and the difficulties revealed by the present depression, as being associated with the countries engaged in agriculture and production of raw materials are referred to as creating new problems whose consideration is becoming daily urgent and compelling. The financial position of the island is quite healthy.

ECONOMIC BACKGROUND

HANDICAPS TO CEYLONESE.

In order to provide a proper setting for the problems of inquiry there is given a picture of the economic background. There is predominance of agricultural markets. There are practically no industries, in the accepted sense of the term, involving radical alteration of raw materials into consumable shape through the process of manufacture.

The island depends for food and clothing on outside sources. The range of production is limited. The report emphasises the instability of the economic equilibrium of Ceylon on account of insufficiency of diversification in her economic enterprises and inability to influence prices, because the purchasers of her goods lie outside the island and world factors have the greatest say under such circumstances.

There is danger to natural production through scientific and technical progress, which tends to create artificial substitutes and revolutionise the process and methods of cultivation. The fall in the price of raw materials has been relatively greater than that in the manufactured goods.

The position of rubber and tea has been rehabilitated to some extent by restriction in their production through world-wide arrangements, but the condition of the coconut industry continues to be depressing and a source of great anxiety.

There is general dissatisfaction among the local intelligentsia with the existing economic order and the increasing consciousness that the solution of the present defects lies in widening the sphere of national activity so as to embrace industrial production on a progressive scale.

A good deal of prominence is given in some quarters to the inability of the Ceylonese to carry on successfully business, banking and industrial undertakings. Want of punctuality in meeting their obligations is frequently urged as an argument of unfitness.

There is nothing inherent in the indigenous people which makes them unfit for these pursuits. They are only victims of past circumstances, which have created a situation wherein most of those activities are monopolised by foreigners, who have built up unassailable positions. Not only is there strong competition to be faced, but a considerable leeway has to be made up in training, experience, and credit and financial methods.

EXISTING BANKING AND CREDIT AGENCIES

The report then proceeds to describe the early history of banking in Ceylon and causes of banking failures. On account of the nervousness caused by the collapse of the indigenous Bank of Colombo, which is still greatly visible, the irregularities connected with its working and the reason of its failure are gone into.

Loans were made to shareholders on the security of bank shares, which negated the security provided by capital. Four-fifths of the bank's capital and 50 per cent. of deposits were lent to directors against bank's shares and immovable properties.

There was absence of a qualified and experienced staff. Malicious propaganda and want of public confidence also contributed to the downfall.

COMMERCIAL BANKS.

The report discusses the activities of existing credit agencies, how far they supply the credit wants of the country and in what respect they are found wanting.

The commercial banks form the most important part of the credit structure of the island. Their activities are operated through Colombo and mostly confined to the people in the capital city. The older of these banks have materially contributed to the building up of economic Ceylon.

It must also be said to their credit that although they generally engage in short-period commercial credits, they have not hesitated to lend on mortgages and other securities or for longer periods.

In adopting such a courageous policy they have mitigated the seriousness of absence of other types of credit institutions.

EXCHANGE BANKS.

Under the group of commercial banks are discussed the activities of the exchange banks, the Imperial Bank, the Indian joint stock banks, and the indigenous joint stock banks.

The exchange banks confine their activities mainly to the financing of the foreign trade of Ceylon, but their participation in the internal and mortgage credit is also substantial.

In so far as applications from the indigenous community are concerned, their working is unfortunately not free from complaints. There is no direct contact between

the Ceylonese clientele and the exchange bank management.

This has introduced the need for the intervention of the shroff. This extraneous link has not only led to the indefensible practice of payment by borrowers of commission, both authorised and unauthorised, but also introduced a good many abuses in the working.

When a shroff's guarantee is insisted upon, he becomes the sole arbiter of the non-European needs for bank credit and requires a price for agreeing to back a proposal with his signature. Necessity for some sort of additional cover may be understandable where clean advances are made, but when guarantee is asked for even where there is ample security, the question becomes incomprehensible.

The cost of borrowing to the Ceylonese becomes greater and interferes with successful competition with their foreign rivals.

DISCRIMINATION.

Serious complaints were brought to the notice of the Commission about the discrimination of these banks in the matter of distribution of credit.

It is difficult to adjudicate upon these grievances. Every dissatisfied applicant thinks, rightly or wrongly, that he has not been fairly treated.

There are several subtle considerations about character, business efficiency and capacity to repay which a bank manager has to take into account before deciding on a credit proposal.

The matter becomes more complex because the debtors are reluctant to accuse openly their creditors, because of the fear of victimisation, and bankers categorically deny these accusations.

However, reading between these divergent statements, it is not difficult to see that, although in some cases dissatisfaction is due to ignorance of principles which govern commercial advances, and even though there may be no intentional racial discrimination on the part of the bank management, in practice it somehow comes into operation.

Absence of direct points of contact, requirement of approach through the shroff, his guarantee, his commission and the higher rates of interest have created sufficient grounds for genuine complaints and not unjustifiably created the popular impression of discrimination.

THE IMPERIAL BANK OF INDIA.

The working of the Imperial Bank is restricted, to some extent, by the provision of the Imperial Bank Act. In other respects its policy of lending and working resembles that of the exchange banks.

The major portion of Government surplus funds is deposited with this bank. Roughly Rs.20 million of Government and public deposits lie with the banking system of the island.

INDIAN AND CEYLONESE JOINT STOCK BANKS.

The Indian joint stock banks do business on a modest scale, and are chiefly concerned with the finance of the Indo-Ceylonese trade.

The indigenous joint stock banks are mainly interested in the supply of remittances to planters. Their contribution to the supply of credit, in the accepted sense of the term, implying lending for short or long periods, is almost negligible.

STATE MORTGAGE BANK.

Credit provided by the State Mortgage Bank is briefly referred to. Complications in title have materially reduced the scope of its usefulness.

It should take greater responsibility for converting the present floating agricultural debt into long-term debt so as to lighten its burden and facilitate its liquidation.

The debentures of the bank are a popular form of investment. Its annual work has, so far, resulted in loss, which would disappear with increase in business.

LOAN BOARD.

Reference is also made to the Loan Board and its importance from the credit point of view. It provides expert financial management of funds which temporarily come into the hands of the judiciary and the officials allied to it.

Instead of earmarking the lapsed amounts for the purposes cognate to, or connected with, the administration of justice, it is recommended that the matter should be left to the discretion of the Legislature.

CHEETUS.

The report then goes on to discuss the activities of cheetus and the injury which they cause to the public in their present unregulated state. They are full of abuses which call for early legislation.

Recommendations as to what should be the basis of this law, among other things, require that every cheetu company should have a minimum paid-up capital of Rs.10,000, and the total collection of cheetus outstanding at any time should not be more than ten times the paid-up capital.

With the starting of the cheetu the company must deposit with Government twice the value of the cheetu offered. Provisions are also suggested in regard to the inspection of their books by Government, keeping of minutes, intimation to Government of defaults, reporting of names of successful bidders and introduction of the system of tenders along with that of the present method of auction.

Cheetus provide a crude, but perhaps a necessary, form of borrowing and lending suited to a certain section of the community in debt, but they will disappear with the growth of national banking.

CHETTIARS.

Among the private credit agencies chettiars play the most important part. They have played no mean part in the economic development of the island. They have

formed an indispensable link between banks and the vast body of the Ceylonese borrowers.

Without their intervention, a considerable portion of the indigenous business activities would have remained without financial facilities.

Their total lending business at one time amounted to Rs.150 million, but it has now come down to Rs.100 million. Out of this, Rs.54 million represents actual loans outstanding and Rs.46 million is the amount invested in business and properties purchased in satisfaction of debt.

On account of the depression they have been considerably hard hit. In several cases the value of their securities is less than the debt due. In order to safeguard their interests and to prevent the piling up of debts, they have been reluctantly compelled to purchase mortgaged lands in settlement of their claims.

But they are ready to return them to their original owners on being paid even a sum smaller than what they paid for the lands.

Most of the witnesses were emphatic that Chettiers did not want to lock up their money in lands.

RURAL DEPARTMENT.

In the absence of reliable statistics it is difficult to disprove figures supplied by the Chettiers' association. No doubt there is a wide gap between the popular figures of indebtedness and what would appear to be justifiable on the basis of the Chettiers' figures.

It is recommended to Government to institute an inquiry into rural debt and to find means to help the agriculturist.

The Chettiar system of business has been badly shaken by the depression, and there is a considerable shrinkage of their business. Their association gives a number of reasons in support of their reluctance "to extend, nay, even continue, their money-lending business."

There is a rude awakening of both the banks and the Chettiers to the fact that it is fundamentally wrong to

finance long-term activities, or where the prospect of repayment within a reasonable period is uncertain or remote, out of short-period borrowings.

A change in their methods of working and the creation of a new agency which would work on a scientific basis are called for.

COMPLAINTS AGAINST CHETTIARS.

The complaints against the Chettiars are examined. They all move round the pivot of the high rate of interest. But when this is examined in conjunction with the working expenses, imperfection of security and the risk involved in money-lending, much of its force disappears.

Leaving aside the case of petty Chettiars, the business methods of the community are clean and free from malpractices.

The greatest drawback in their organisation is the provision of facile credit, which is injurious in the long run both to the creditor and the debtor.

PAWNBROKERS.

The working of the pawnbrokers and how far the present Ordinance controls their business are examined. Complaints against this credit agency relate to the high rate of interest, both authorised and unauthorised, bogus auctions and unlicensed shops.

Law is already strict in respect of these matters, and it lies with the borrowers to remedy these defects.

Formation of honest agencies through municipalities and local bodies is suggested.

At present the pawnbroker can usurp any surplus in an auction sale that remains unclaimed for two years. A recommendation is made for the deposit of all such excesses with the Post Office Savings Bank, and, if money is allowed to lapse, it should be in favour of the State and utilised for public purposes.

The supply of essential statistics of their business in the public interest is also recommended.

BOUTIQUE-KEEPERS.

On account of the great importance of the boutique-keeper in the rural life of the country, the report examines at length his credit operations and their reactions upon the economic life.

In spite of the disadvantages of high cost and all that is said against him, there is no doubt that, under the present conditions, he fills an important place in village life and he cannot be easily displaced.

MONEY-LENDERS.

Activities of money-lenders and the provisions of the Money-lenders Ordinance are then examined. Money-lending is an ancient business, and anyone can engage in it. Wealthy persons and retired officials do not hesitate to engage in this activity.

The landlord's advances to his tenants and to his neighbouring land-owners are well known. The agriculturist, who lends with a view to getting the land of his debtor, is a hard-hearted creditor. Advances by amateur money-lenders and other financiers, like the Incorporated Trustees of the Church of England in Ceylon and the Charity Commissioner, are also discussed.

MALPRACTICES.

Sufficient safeguards exist to protect the debtors from the malpractices of the creditors. If abuses are still found in practice they are inseparable from the nature of private lendings and indicate difficulties of legislation in these matters.

It is impossible to save a person by law who refuses to take advantage of measures designed to help him or desires to commit economic suicide.

RATES OF INTEREST.

Under the Ordinance it is penal to take blank promissory notes or enter fictitious amounts. The Judges have discretion to open the question of rates of interest and to lower them even under the legal rates.

The Commission recommends that this discretion be freely used under the present easy money conditions. A recommendation is made that the legal rates be lowered in the case of secured advances.

AFGHANS.

The section dealing with private money-lenders ends with the description of the operation of the Afghan. He is a most rapacious type of money-lender. The Commission recommends that if it is possible he should be banned from coming into the island or engaging in money-lending.

The police should be on the lookout for the detection of malpractices by Afghans, and ask for exemplary punishments where offence is proved.

GOVERNMENT AND CREDIT SYSTEM.

Government play an imperceptible but nevertheless a very important part in the supply of credit to the market. They keep large deposits with banks, which are utilised in widening the basis of financial help.

It is computed that approximately Rs.20 million are supplied by Government and semi-Government departments to the banking system. Through the Local Loans and Development Fund credit is supplied to the local bodies and the co-operative system.

Government's position as a borrower through direct loan operations and the Post Office Savings Bank is also discussed. Examination of the national debt of the country discloses an extremely satisfactory position. Instead of there being a debt burden, there is a net surplus capital saving.

NEED FOR A NATIONAL BANK.

The Commission then goes on to analyze the defects of the existing credit system and whether there is need for national banking institutions. Reduction in the Chettiers' operations and the displacement of the shroff, as guarantor for advances referred to by the bank managers, have

created conditions in which there may be shrinkage in credit.

The high price and facile credit of the Chettiars' financial machinery are too well known and injurious. The existing banking organisation, with its nerve centre thousands of miles away, and whose management lacks intimate touch with the population, is unfitted to meet reasonable indigenous demands for credit.

There is no branch banking, and most of the present banks have their business concentrated in Colombo.

In the matter of internal finance and inland remittances the present banks are found grossly wanting. They are mainly interested in the finance of foreign trade, and there is danger of interference in their financial operations from foreign trade rivalry wherever there is conflict of interest with the internal business.

National banking has proved a boon in every country, and it is also essential for the economic advancement of Ceylon. Foreign banks and foreign business houses naturally view with apprehension new banks coming into the field.

They think that the existing banks would be able to cope with all the demand for credit. This is not denied, but they are temperamentally and constitutionally unsuited to help the country's operations to any great extent.

Powerful indigenous banks are always helpful, not only to the commercial community, but also to Government in their hour of need. National banking will lower rates of interest.

PROPOSED BANKING STRUCTURE

NATIONAL BANK FOR CEYLON.

The Commissioners then discuss what form national banking activity should take. The relative advantages of the State Bank and the State-aided Bank are examined, and it is shown how the proposal of the State-aided Bank is preferable.

Arguments of foreigners who deprecate participation by the State into banking are analysed, and they are shown to be untenable. Examples of other countries confirm that there is no hard and fast rule when Government assistance should be given or for what purpose it should be given. Every project has to be considered on its merits and in the light of surrounding circumstances.

Under the present position of Ceylon, unless the State comes forward to supply deficiency in the public subscription of capital, the ideal of national banking must ever remain an unrealisable dream.

CONSTITUTION.

Recommendations are made in regard to the capital and constitution of the bank, which, among other things, provide that the initial capital of the bank should be Rs.10 million, out of which the State should subscribe Rs.8 million.

The public should be offered 40,000 ordinary shares of Rs.25 each for the present, and thereafter the remaining 40,000 ordinary shares should be issued at bank's option.

Ways and means of Government are discussed for providing this money, and it is clear that there are ample resources from which the capital can be found. When things improve Government may sell off their holdings.

Government are not required to assume any other responsibility in regard to the liabilities and deposits of the bank. With a properly regulated constitution and efficient management there should be no risk of loss of capital contributed by the State.

CAPITAL OF 100 LAKHS.

The Commissioners recommend that the capital of Rs.10 million should be divided into Rs.8 million worth of 3 per cent. cumulative preference shares of Rs.100 each and Rs.2 million worth of ordinary shares of Rs.25 each, on condition that the preference shareholders may convert their shares into ordinary shares, if they so desire, at the end of five years.

The State should subscribe to the preference shares. Advantages of Government taking up preference shares with the option of conversion into ordinary capital are discussed, and it is further provided that if the working of the bank should at any time disclose a loss of one-third of the capital and reserve, it should stop its activities in the interests of preservation of the capital put in by Government.

In order to facilitate Government subscription it is proposed that only 50 per cent. of the amount payable on preference shares should be called up in the first year and the balance in two instalments of 25 per cent. each at intervals of not less than six months each.

In regard to the ordinary capital, it is suggested that only half should be offered to the public in the first instance and the balance kept over until some favourable opportunity arises. Rs.15 is to be called up on application and allotment, and the balance in two calls of Rs.5 each at intervals of not less than six months.

Voting power of shares is restricted—one vote for the first five shares and thereafter one additional vote for every subsequent twenty-five shares.

DIRECTORS.

It is recommended that seven or nine Directors from Europeans, Indians and Ceylonese in a certain proportion should be appointed to control the bank, and that the selection of the first Directors should be made by the Governor.

In order to select the right sort of people, it is suggested that the Governor should invite nominations from the four principal Chambers of Commerce, but his choice need not be confined to the names recommended by them.

Qualifications to be possessed by the Directors are prescribed, which, among other things, require the holding of shares of the face value of not less than Rs.5,000, residence of five years in Ceylon, active engagement in trade, industry or agriculture for over ten years and non-membership of the State Council.

MANAGEMENT.

The Commission recommends the appointment of a Manager on Rs.2,000 to Rs.3,000 per mensem, a sub-Manager on Rs.1,200 to Rs.1,500 per mensem, an Accountant on Rs.750 to Rs.1,000 per mensem, and Secretary on Rs.500 to Rs.750 per mensem. Banking experience of ten to fifteen years is prescribed for the holding of any of these appointments.

It is also suggested that Government should appoint a Financial Adviser to the bank at least for the first five years. He need not be a full-time person and may be consulted occasionally.

Suggestions are also made in regard to the business of the bank, audit, and other important matters.

The case for Government representation on the Board of Directors is fully discussed, and in view of the safeguards provided in the constitution of the bank such representation is not deemed necessary.

LOCAL BANKS

Facilities to be created by the State-aided bank are to be supplemented by the establishment of local banks in important places.

It is explained in the report why this mode of expansion is to be preferred to the development of branch banking of the State-aided bank; but if later experience warrants that the Commissioners' expectations in regard to the inauguration of local banking are not satisfied there should be no bar to the expansion of the activities of the State-aided bank.

Chief responsibility for the promotion of these banks is imposed upon the State-aided bank, which is to be their banker, friend and guide. Suggestions are also given as to the principles on which these banks should be founded and worked.

The Commissioners think that no such bank should have a subscribed capital of less than Rs.500,000, half of which at least should be paid up.

No statutory limitation is imposed upon the distribution of dividends, but as a word of advice it is said that before distributing dividend 15 to 25 per cent. of the net annual profits should be transferred to reserve until it equals 50 per cent. of the paid-up capital.

It is also recommended that the State-aided bank should assume the principal responsibilities of providing credit for internal economic activities whether related to agriculture, commerce or industry.

BANKING REGULATIONS

In view of the great importance of banking regulations, the Commissioners have gone thoroughly into the existing Banking and Joint Stock Companies' Ordinances and shown how deficient they are.

Laws in India, England and other countries in this respect are referred to and recommendations made as to the improvements which should be introduced.

It is suggested that banks should be required to observe certain conditions in regard to their incorporation, commencement of business, publication of financial statements and balance sheets and their audit, and supply statistics.

Both indigenous and foreign banks are required to take out a licence, and the conditions on which licence should be given are laid down in the report. There is to be a Register of Banks in which the name of every such licensee is to be entered.

It is recommended that no bank should be allowed to advance against its own shares. Some suggestions are also made as to the diversification and liquid nature of bank assets. Provision is also made for investigation by Government into affairs of a bank on a complaint by shareholders and depositors.

In order that banking enterprises may not be withered by blasphemous reports and *mala fide* complaints, a procedure is suggested whereby preliminary inquiry would be held by the Registrar of Joint Stock Companies and the

offence would be triable by the magistrate only if such an inquiry gives necessary permission.

Alternatively it is recommended that the defending bank should be reimbursed with its costs in case of vexatious proceedings by the complainant, and the latter should be required to make a deposit in Court in advance.

An arrangement is also suggested to stop bear raids on bank shares.

LEGAL HANDICAPS TO CREDIT AGENCIES

Interest represents not merely the charge for the hire of the use of money, but it also covers compensation for loss or delay in getting back the principal.

On account of many complaints that the present commercial law is grossly inadequate from the point of view of credit, the Commissioners have minutely examined this question in consultation with Government law officers.

There is no doubt about the deficiencies in the law and the handicaps it imposes upon credit operations. The legal machinery requires to be overhauled. Various legislative enactments which impinge upon credit are examined and suggestions made as to their improvements.

The Civil Procedure Code and Joint Stock Companies' Ordinance appear to be out of date.

There is a great delay in the disposal of suits. Recommendations are made about the legal permissibility of equitable mortgage and the creation of a simple law in regard to the hypothecation of movables, securing of advances by shares and assignment of policies, bankers' lien and the rights of pawnee to sell the mortgage goods under certain conditions without applying to the Court.

It is found that in general the Roman-Dutch Law is too antiquated to meet the demands of present-day commercial and banking activities, and that the legal system of Ceylon governing them should be carefully revised.

INVESTMENTS AND SAVINGS.

On account of the importance of investments and savings upon the banking and capital system the various

agencies of promoting thrift are discussed. Land has, until now, formed the most attractive investment for the Ceylonese.

There is absence of indigenous investment in stock exchange securities, and the chief reason for this state of affairs can be ascribed to there being no Ceylonese as share brokers.

The rigidity of the rules of the Share Brokers Association in making it impossible for the sons of the soil to get into this business is referred to, and recommendations are made as to how this state of affairs should be remedied.

GOVERNMENT RUPEE SECURITIES.

It is urged that the State should take advantage of the present easy-money conditions and arrange for voluntary conversion of its external debt into rupee commitments.

The Commissioners do not anticipate that Government would not find enough money or will have to pay a higher price for rupee loans; but even if it does cost a little more, that should not stand in the way of the adoption of the policy of internal borrowing.

There would be ample compensation in the avoidance of risk of exchange fluctuation inseparable from foreign borrowing and the formation of indigenous investment habits and capital markets.

Government's policy in not floating its loans inside the island is also responsible for the non-existence of suitable investments and the non-development of the security habit.

An amalgamation of the Ceylon Savings Bank and the Post Office Savings Bank, decentralisation of the working of the Post Office Savings Bank and the liberalisation of the rules of withdrawals are recommended in the interests of popularity, efficiency, and unification of the Savings Banks working in the island.

NEW CHANNELS OF SAVINGS.

The creation of new channels of saving in the shape of Postal Cash Certificates, Treasury Bills and investments in building societies is also suggested.

The question of investment trusts for the island is also considered, but it is thought desirable that its introduction should be postponed until the establishment of the State-aided bank.

The question of opening of cheque accounts in Post Offices and permitting local bodies to open savings banks departments is also examined, but it is considered too premature to start these activities immediately. The machineries of provident and mutual societies as aids to savings have also been looked into, and abuses connected with their working are pointed out.

It is urged that the law in this respect should be strengthened. Misrepresentations and misunderstandings caused by the Business Names Ordinance are referred to and suggestions made as to their remedy. The abolition of the stamp duty on cheques is recommended.

INSURANCE COMPANIES.

On account of the importance of insurance as a medium for beneficent investment, the Report deals with the necessity of its regulation. The absence of legislation for incorporation of local insurance companies is deplored, and suggestions are made for the introduction of a special Ordinance to control the working of insurance companies, both indigenous and foreign.

It is recommended that every insurance company should deposit a minimum sum of Rs.25,000 on its incorporation, which must be gradually increased to Rs.2 lakhs from premium income and insurance fund reserve.

The Commission does not agree with the demand that all the premia received by insurance companies in Ceylon should be invested locally, because several of them have to reinsure their risk outside the country, and all the premium income received by them does not remain in their hands.

A number of requirements in connection with the preparation of balance sheet, its audit, rights of shareholders and policy holders, the preservation of life fund for the sole benefit of policy holders, etc., are suggested to be incorporated in the proposed legislation.

AGRICULTURAL FINANCE

The agriculturists form the bulk of the population of Ceylon, and the problem of agricultural finance is minutely examined. The business of agriculture is analysed to determine what risks it involves and whether there are any special handicaps in Ceylon to make lending difficult and costly to the peasantry.

The precarious nature of agriculture on account of its dependence on weather conditions and the meagre margin in production, which mostly disappears and even becomes negative, are the greatest hindrances in the matter of rural credit.

The position is made worse in Ceylon because of the confusion in titles. A historical examination of systems of land tenure reveals how the chaotic state in ownership of lands has arisen.

The activities of the Land Settlement Department, in so far as it has bearing on this problem, are analysed. It is recommended that the organisation of the Land Settlement Department should be widened so that its inquiry may relate not only to the clearance of disputes between the Crown and the public, but between all the private claimants *inter se* as well.

A part of such expenses may be recovered by a small levy on the land whose title is cleared.

Future complaints regarding title are to be avoided by the introduction of the system of title registration in a special register. Prohibition of fragmentation of land and consolidation of existing fractional holdings are also recommended.

The scheme of colonisation of new waste lands on the basis of peasant proprietorship is examined from its financial aspect. A special form of organisation to provide credit for the development of these lands is recommended.

TO ALLEVIATE RURAL DEBT POSITION

A short description of the tea, rubber, coconut and paddy cultivation is given.

The present indebtedness of owners of coconut land is described, and, owing to the precarious position of coconut landowners, the Commission suggests an Ordinance to restrict the rate of interest on mortgaged coconut land to 7 per cent. This will bring an annual saving of approximately Rs.5 million a year to the owners of mortgaged land without putting the mortgagees to much inconvenience.

The Commission also discusses the general rural indebtedness of the country, and suggests the formation of Conciliatory Boards in different districts to register individual indebtedness on mortgages of land and bring about a reconciliation between the debtors and the creditors in respect of their borrowings and lendings.

It is also recommended that Government should come forward to institute an "Agriculturists' Redemption Fund" to help the rural debtors.

INDUSTRIAL FINANCE

On account of the need of industrial expansion to provide means of subsistence for increasing population, as well as to mitigate the present utter dependence upon foreign markets, the question of industrial finance is considered. The financial requirements of major industries are of two kinds:—

- (a) For capital purposes.
- (b) For working expenses.

In so far as the first demand is concerned, it must be mainly provided through the capital market. Investors should come forward to take shares in industrial enterprises.

The provision of working capital can be arranged with or facilitated through commercial banks and the State-aided bank.

STATE-AID TO INDUSTRIES.

There would, however, be certain types of industries which, on account of their pioneer nature or large scale, would require financial aid from the State.

Such assistance may be given through the agency of the State-aided bank. This bank can be asked in the first instance to ascertain the commercial possibilities of the project. If it is established that the industry has a fair chance of success the State may decide what aid to give.

Instead of making direct advances and undertaking responsibilities of supervision and the collection of instalments towards payment of debts, Government may delegate its functions in these respects to the State-aided bank. Government may give their guarantee to the bank, and on the strength of this security the bank can supply the necessary capital to the industry.

An arrangement like this would prove businesslike. The State would not be faced with the problem of finding the money and the bank would have scope for utilising the funds. Being in touch with business, it would be able to better supervise the working of the industry.

With regard to the demand for an industrial bank, the Commissioners think that this is premature. They think that the arrangement suggested by them would in practice prove equally efficacious.

When an industry has demonstrated its profitability the State-aided bank could help it in the flotation of debentures and their underwriting.

The finance of cottage industries should be mainly provided through industrial co-operative banks and urban credit societies. In the matter of providing working credit, these banks can supplement their resources from the State-aided bank.

MARKETING FINANCE.

On account of the importance of marketing finance on prices the existing financial methods are examined from this angle and suggestions made for their betterment.

Credit systems for the movement of goods from the field or factory to the seaboard or consuming store and for the distribution of imports into the hinterland are described and discussed.

At present there is no organised machinery. Remittance facilities are prominent by their absence.

Creation of respectable warehouses and warehouse warrants, for the purpose of facilitating marketing credit, is recommended.

In order to assist the farmer to get a fair price for his crops, formation of marketing societies is recommended. They should be formed on joint stock principles and be under the supervision of the Agricultural Department.

There is greater contact between the producers and this department than between them and the Co-operative Department.

It is recommended that they should receive aid from the State in the initial stage of their formation. In order to minimise the opportunities of the cultivators falling into the hands of the boutique-keepers, it is suggested that these societies should not merely aim at selling the produce, but also supply necessary materials to the peasantry in the same way as the present boutique-keepers do.

It is recommended that an Advisory Board should be formed at Colombo to co-ordinate the activities of the various marketing societies as well as to guide them in their work.

The ministers in charge of the portfolios of Agriculture and Commerce, the Director of Agriculture and the Registrar of Co-operative Societies should form this Board.

CHEETUS.

A brief history is given of the co-operative movement in the island. Its importance in agricultural finance is

undoubted. But the movement is as yet in its infancy. It has merely touched the fringe of the rural economic life.

There does not appear to be much enthusiasm for its progress. Reasons for the feebleness of the movement are determined and analysed. Recommendations are made to overcome the present deficiencies and to vitalise the institution.

MISCELLANEOUS

CURRENCY.

The Commissioners finally discuss sundry important matters which directly or indirectly relate to credit.

The first matter discussed is that of currency. It is not considered desirable that any change should be introduced in the present basis of the monetary system of Ceylon, particularly in view of the chaotic conditions which prevail today in the world in regard to international trade and monetary matters.

The rupee has successfully worked as the standard of external measures of Ceylon's currency. The only demand for change in the present arrangement is on the ground of loss of profit on minting, which at present is solely retained by India.

The Commission analyses at length the truth of this charge and shows how this loss can be avoided by substituting Indian and other gilt-edged securities for the rupee portion of the currency reserve. The value of the present monetary connection to the economic life of Ceylon is discussed in detail and shows how a change would disturb the Indo-Ceylonese trade and the labour problems of the island, lead to profiteering and high rates of interest and cause nervousness in external capital at present engaged in the island or likely to come in for the service of future economic advancement.

In making this recommendation the Commission is also supported by the conclusions of previous Currency Commissions.

Recommendations are also made for the introduction

of currency chests at the Kachcheries to facilitate internal remittances and for imparting elasticity to the currency system through recognised arrangements of automatic expansion and contraction.

It is hoped that by bringing into the banking system, through the State-aided bank, the Treasury balances which are now hoarded in the Kachcheries, there would be a widening of the basis of credit and the enlargement of the money market.

The second question which has been dealt with is that of banking education and training. Importance of these problems to the development of indigenous banking is unquestionable. Ways and means are suggested to accelerate education and training of Ceylonese in banking.

It is also urged that arrangements should be made to provide education in co-operation so as to quicken and expand the co-operative movement.

ECONOMIC ADVISORY COUNCIL.

A number of pressing economic problems face the island. In order to consider satisfactorily these questions, it is suggested that facilities should be provided for economic study and research and that an Economic Advisory Council should be established. The main function of this Board would be to study economic questions and to carry on research in these matters.

It will be one of its responsibilities to collect economic data and economic information. Suggestions are offered as to the composition of this Board and as to the reformation of the Government Statistical Department.

It is suggested that with a small paid staff there should be associated honorary members from amongst the officials and non-officials. There should be a combination of theory and practice, so that there should be a corrective and harmonious blending of the two.

Agency of students of economics should be invited for assistance during vacations on payment of actual out-of-pocket expenses.

STATISTICS.

The last question dealt with is the collection of statistics. The lack of reliable figures has handicapped the Commission in certain respects in the pursuit of its task.

It is recommended that a separate department be created and a special Ordinance be passed empowering the Statistical Department of the Government to collect such information as may be necessary from the public standpoint.

It is hoped that the combined agency of the Economic Advisory Council and the Statistical Department will materially assist in the formulation of correct economic policies and the building up of national prosperity.

INDEX TO PERSONS

A

AYER, SIR SIVASWAMY, 10
 Anderson, Sir John, 65
 Arunachalam, Sir Ponambalam, Introduction, xi, 29, 62, 97

B

Bahu, King Prakrama VI., 97
 Balasingham, K., 48
 Baldeus, 2
 Baldwin, Stanley, 47
 Barthema, Ludevico, 2
 Barton, Sir William, 8, 15
 Beaverbrook, Lord, 31
 Benett, 2
 Bertram, Sir Anton, 92
 Brownrigg, Sir Robert, 5

C

Carpenter, Edward Boyd, Introduction, xi, 29
 Cave, M.A., F.R.G.S., 2, 3
 Clifford, Sir Hugh, 8
 Cordiner, 2
 Creedy, Sir Herbert, 63
 Crewe, K.G., Lord, Introduction, xi
 Cunliffe-Lister, Sir Philip, 17

D

Davy, 2
 Disraeli, Benjamin, 37
 Donoughmore, Lord, 9

F

Fernando, Sir Marcus, 42
 Fletcher, Lieut.-Com., M.P., v.
 Frazer, Rev. A. G., 53
 Frazer, Sir Andrew, 53
 Freeman, H., 26

G

George III., King, 4
 Goldsmith, Oliver, 30
 Grindle, Sir Gilbert, 39
 Gunasekera, Mudaliyar A. Mendis, 102

H

Halsbury, Earl of, 72, 78
 Hardinge, Lord, 102
 Hian Fa, 2
 Horne, 13
 Howard, 58
 Huxham, 78

J

Jayatilaka, Hon. Sir D. B., Introduction, xiii, 13, 14, 70, 76, 78, 80, 85, 92
 Johnston, Sir Alexander, 6
 Jones, Sir William, 101
 Jordan, Philip, 16

K

Knox, Robert, 2

L

Lawrence, D. H., 59
 Lunn, 71

M

Macaulay, Lord, 32
 MacDonald, Malcolm, 7
 Mauny, Count de, 57
 McFadyean, Sir Andrew, 47
 Morgan, Pierpoint, 40
 Morley, Lord, 56
 Morrison, Herbert, 30
 Mussolini, Benito, 110

N

Newman, Dr., 94
Newnham, Mr., C.M.G., Introduction, xi

O

Okuma, Count, 68

P

Page-Croft, Sir Henry, 63, 64, 65, 71,
72, 73, 74, 75, 76, 77, 78, 79, 80,
81
Panabokke, Hon. Mr. T. B., 15
Passfield, Lord, 19, 20, 55
Paul, Dr. S. C., 42
Perceval, 2
Perera, E. W., 83
Pereira, K.C., Hon. Mr. R. L., 27
Pieris, Dr. Paul, Introduction, xi, 39
Plymouth, Earl of, 71
Pochkhanawala, Sir S. H., 42
Polo, Marco, 2

Q

Queyroz, Father de, 4

R

Ramanathan, Sir P., 7, 92
Reading, Marquis of, 71
Rees, M.P., Sir John, Introduction,
xiv, 87
Renundot, Abbé, 2
Rothermere, Lord, 74
Rousseau, Jean-Jacques, 7
Russell, Earl, 31
Rutherford, Dr., 9

S

Sandeman, Sir Stewart, 81
Senanayake, Hon. Mr. D. S., 78
Shields, Dr. Drummond, 15
Silva, Geo. E. de, 116
Singha, Sri Wickrama Raja, 4
Spilberghen, 2
Stanley, Sir Herbert, 20, 55
Stanley, Lord, 8
Stephano, Jerome de Santo, 2
Sthavira, Sri Rahula, 97
Still, John, 30
Strong, A. N., 82
Stubbs, Sir Edward, G.C.M.G., 16,
39, 57, 64

T

Tagore, Rabindranath, 36, 68, 95,
107
Tennant, Sir Emerson, 2
Tugi, P.M. of Tonga, 31
Twynam, Sir William, K.C.M.G., 9,
26
Tyrell, F. G., 17

U

Upham, Edward, 1

V

Villiers, Sir Thomas, 64

W

Watson, Sir Alfred, 44
Watson, W. R., 33, 92
Wilson, Justice, 95
Woods, Sir William, 79
Wrench, Sir Evelyn, 66

T

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LIBRARY

T

